

2001 PLAN AND BUDGET SUMMARY

CITY OF MILWAUKEE

STATE OF WISCONSIN

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Budget and Management Division

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GUIDE TO BUDGET DOCUMENTS

PLAN AND BUDGET SUMMARY

A document containing an overview of economic conditions in Milwaukee; a fiscal summary of the 2001 budget; an economic forecast for Milwaukee; detailed narrative descriptions of each department's mission, objectives, outcome measures and related activities; and a summary of appropriations by expenditure category. This document is printed annually in proposed and final form as follows: the *Proposed Plan and Executive Budget Summary* contains the Mayor's Executive Budget as presented to the Common Council for review. The *Plan and Budget Summary* contains the budget as adopted by the Common Council.

BUDGET

The official City of Milwaukee line-item budget. It provides a listing of all appropriation accounts by department. It is published after final budget adoption.

SIX-YEAR CAPITAL PLAN

A presentation of the city's six-year capital program. It includes details on planning, financing, infrastructure, and urban development undertakings involved in the capital plan. It is published the spring following budget adoption.

To obtain copies of the:

Proposed Plan and Executive Budget Summary,

Plan and Budget Summary,

Budget, or

Six-Year Capital Plan

Contact:

Budget and Management Division

City Hall - Room 307

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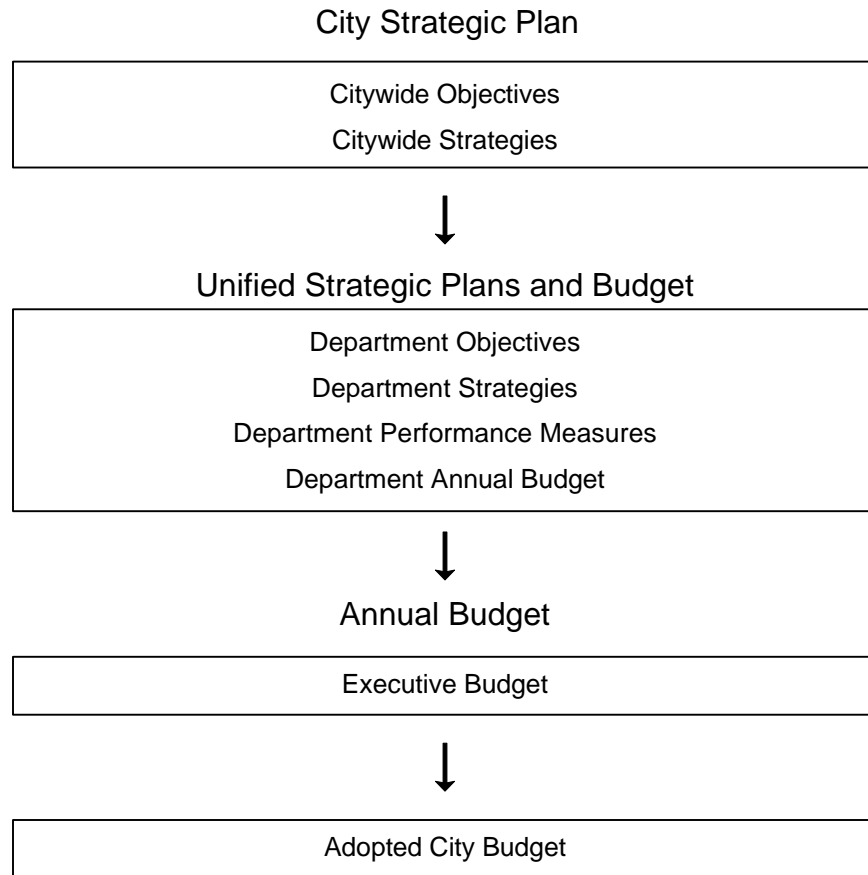
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Visit the Budget and Management Home Page at:

www.ci.mil.wi.us/citygov/doa/bmd/bmd.htm

BUDGET AND PLANNING PROCESS



CALENDAR DATE

ACTIVITY

January - March	Departments Prepare Plans, Objectives, and Performance Measures
April 6	Departments Receive Budget Materials
May 9*	Plans and Budget Requests Due
June 20, 21 and 23	Mayor's Public Hearings on Plans and Budgets
July - September	Mayor's Executive Plan and Budget Review
September 28**	Plan and Budget Submitted to Common Council
October 5 - 20	Legislative Hearings
November 2 and 3	Finance and Personnel Committee Budget Amendment Days
November 10***	Common Council Action on Budget

- * Second Tuesday in May
- ** Legal Deadline September 28
- *** Legal Deadline November 14

ELECTED OFFICIALS

MAYOR.....John O. Norquist
CITY ATTORNEY.....Grant F. Langley
CITY COMPTROLLER.....W. Martin Morics
CITY TREASURERWayne F. Whittow

COMMON COUNCIL

PRESIDENTMarvin E. Pratt

DISTRICT

ALDERPERSON

FIRST	Marvin E. Pratt
SECOND	Terrance Herron
THIRD	Michael S. D'Amato
FOURTH	Paul A. Henningsen
FIFTH.....	James Bohl, Jr.
SIXTH	Marlene E. Johnson-Odom
SEVENTH	Frederick G. Gordon
EIGHTH	Robert G. Donovan
NINTH	Donald F. Richards
TENTH	Rosa Cameron-Rollins
ELEVENTH.....	Annette E. Scherbert
TWELFTH.....	Angel Sanchez
THIRTEENTH	Jeffrey A. Pawlinski
FOURTEENTH.....	Suzanne M. Breier
FIFTEENTH	Thomas G. Nardelli
SIXTEENTH.....	Michael J. Murphy
SEVENTEENTH.....	Willie L. Hines, Jr.

MUNICIPAL JUDGES

BRANCH 1.....Vincent Bobot
PRESIDING JUDGE, BRANCH 2Louis B. Butler, Jr.
BRANCH 3.....James A. Gramling, Jr.

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John O. Norquist
Mayor
City of Milwaukee



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January, 2001
Budget Transmittal Statement
From Milwaukee Mayor John O. Norquist

Responsible budgeting is the cornerstone of much of our success in Milwaukee.

For us, budgeting is about more than balancing the books. It's about running government as efficiently as possible. It's about eliminating waste and rewarding productivity. Few cities do these things as well as we do. According to *Governing Magazine's* latest performance review, Milwaukee ranks fifth of 35 large cities in the category of "managing for results". The magazine says we are "a pioneer in all of the major management reforms of the past decade".

We manage government this way to deliver value. When we provide the best possible product at the lowest possible cost, we know that good things happen. Streets are cleaner and safer. The schools get better. Residents and business owners invest in properties, adding value of their own.

That's exactly what has happened in Milwaukee over the past twelve years.

In preparing the city's budget for 2001, we crafted a budget that delivers strong value and helps Milwaukee achieve its potential ... both as an economic center and as an outstanding place to live.

As Milwaukee grows stronger, our challenges grow as well.

The first challenge we face is the state's weakening commitment to revenue sharing. Over most of the last 90 years, the state has operated this program responsibly, returning money to local governments to ensure basic, essential services for every Wisconsin citizen, wealthy or poor.

For six years, however, shared revenue payments have been frozen. As pressures on city government grow, payments haven't budged.

Last year, we had good news. The state legislature passed a modest 2% increase in shared revenue. The good news didn't last long, as the Governor vetoed the increase.

As a result, the effect of frozen-shared revenue this year is a loss of \$11 million. After absorbing revenue losses like this year after year for six years, we simply can't absorb them anymore without hurting the quality of services.

Costs pose another challenge this year. Despite our success cutting expenses that are under our control, certain costs that are largely beyond our control are growing faster than the rate of inflation. Employee health care and prescription drugs costs are up 15% over last year. Thanks to good oversight, that is less than the 30% increase facing most employers.

Labor contracts awarded by state arbitrators put additional pressure on this budget. Though we have argued at the arbitration table for a more moderate rate of growth, wages paid to some of our bargaining units are now rising one and a half times faster than the rate of inflation.

Consider this fact: Employee salaries and benefits make up over 80% of the city budget. With our main costs growing faster than inflation and our main source of revenue frozen, we face some tough choices.

As a result, this budget includes a property tax rate increase.

Despite the increase, the city tax rate in 2001 will be 20% lower than it was twelve years ago. The municipal rate then was \$13.09 per thousand. The new rate will be \$10.49.

Lifting the tax rate is not something I undertake lightly.

Our budget team trimmed fat wherever we could find it. We turned over stone after stone looking for efficiencies. I sent the city's Budget Director Laura Engan back several times to find savings. I thank her for her hard work and good ideas.

Managers of city departments worked equally hard to cut their spending. As a result, city departments work smarter and faster. For example, in the Department of Public Works an automated pothole patcher allows one person to fill potholes instead of a crew of three, freeing workers to get to other jobs faster.

Under City Purchasing Director Cheryl Oliva, timesaving new processes and web technology allow twelve people in the Purchasing Department to perform the work formerly handled by thirty-one. All formal bids are now done on line, allowing the department to get better pricing while reducing its bid-related mailing costs by 75%.

As part of this budget, the number of city employees will drop by another 60 positions. Almost all of the reductions will come in positions already vacant from retirement or turnover.

Leaner government requires more from each of us. Thousands of women and men throughout city government – from snowplow operators to health lab workers to office staff – meet these challenges. They are our partners in delivering value and they deserve our thanks and our respect.

To meet our fiscal obligations, the Budget Office has tapped new revenue sources as well, including an increase in food licenses. This fee transfers more of the cost of food inspection to the food inspection license holder.

We've also recognized that thirteen of nineteen Milwaukee county communities have special charges for garbage-related services. From Shorewood to Hales Corners to Wauwatosa, fees are now assessed for items such as trash collection, recycling, and hauling away bulky appliances.

This year, we too will begin applying a solid waste service fee to city service bills. This \$11 quarterly fee allows us to avoid cuts in sanitation services and to make some strategic improvements. We've added four driveable Mad-Vacs, so that every sanitation district can benefit from cleaner sidewalks. Two new claw-equipped skid loaders will enable us to clean alleys much faster. Finally, we'll bring more dumpsters to neighborhoods for intensified basement and yard clean-ups.

I am under no illusions that this fee represents property tax relief. I acknowledge that it is an added expense for taxpayers. Yet we are applying it because it accomplishes two things. It broadens our revenue base at a time when the state is shrinking it. And it helps us meet our state expenditure limits, which if we didn't meet them would cost us \$7.7 million in additional taxes.

It is also important to view this cost in the context of ongoing savings. There is one true measure of our budgeting performance that takes fee income, taxes, and even rising property values into account. That measure is overall city spending.

Over the entire period from 1988 to 2001, the city's annual rate of spending growth will be just 3.8% – far less than the rate of growth in spending by the state and other units of government.

Despite this year's pressures, this is not a budget that lowers our expectations of city government. It raises them.

- Building on the work of the Commission on Crime, this budget commits our support to the growing citywide effort to reduce crime. We are expanding police capabilities by opening a new high-tech Data and Communications Center and Third District Station. We are operating three recruit classes, which will put 180 officers on the street.
- At the suggestion of Department of Neighborhood Services Commissioner Marty Collins, this budget also proposes that over the next year we implement an innovative approach for dealing with chronic crime and nuisance violations. It works by involving landlords. When they're notified of repeat offenses at an address, landlords can choose to evict problem tenants or see the cost of future violations charged to their tax bills. Since police began using this powerful tool in Portland, Oregon chronic nuisance complaints are down 65%.
- Healthy cities require good schools, so our partnership with the Milwaukee Public Schools is growing stronger. In response to neighborhood initiative, an outmoded library – the Finney Library – will become a neighborhood school. At the same time, we will build a technically advanced new library that will launch west side children on a lifetime of learning.
- In this budget, we also maintain the commitment to fire fighting and fire prevention that has allowed us to reduce fire deaths dramatically in the past decade. This year, we will purchase two new ladder rigs, three fire trucks, and two ambulances.

- This budget also commits \$4 million to reduce the amount of rainwater that enters our sewer system to help protect against basement back-ups and flooding.
- With neighborhoods like Brewer's Hill, Washington Heights and City Homes enjoying a renaissance and downtown experiencing a housing boom, this budget recognizes the importance of strengthening additional neighborhoods. In a first for Milwaukee, we plan to use tax-increment financing to stimulate the construction of one hundred affordable homes in the Lindsay Heights neighborhood and provide two hundred property owners with resources to improve their existing homes. In this project, we're working alongside the Governor and his Wisconsin Housing and Economic Development Authority.
- With manufacturing employers moving to Milwaukee to be close to the city's large workforce, we must forge ahead with our aggressive plans to prepare a blighted, 100-acre former rail yard for economic development that will add nearly 1,000 high-wage jobs. Federal grants are on the way to support environmental testing of the property.
- The City of Milwaukee is emerging as the center of high-tech development in the state. For example, did you know that Pierce Corporation on Bartlett and North Avenue on the east side supplied the DNA for the human genome project? According to University of Wisconsin-Milwaukee Researcher Sammis White, the Milwaukee area added twice as many high-tech jobs as Madison in the past ten years.

The Department of City Development will act as matchmaker, helping universities and private businesses form important partnerships.

We also need to harness technology to improve the provision of city services, as more departments join the Assessor's Office and the Department of Neighborhood Services in making records available on-line.

All of this is part of a larger strategy. Building on the natural strengths of the city, we can make our neighborhoods stronger and promote job growth. We need to make our city more attractive to new residents, which will build our tax base and put us in a stronger position for drafting future budgets.

After years of hard work, these goals are within reach. Construction is booming and household incomes are rising in the central city and beyond. Given these opportunities, it is important that we let nothing threaten our success – especially our fiscal challenges.

There's often talk in Madison of property tax relief. But when the Governor said he would pay two-thirds of school costs in the state, he didn't say he would take money out of municipal property tax relief. Yet that is what happened. The numbers do not balance. This year the tax rate charged by the Milwaukee Public Schools will drop by about fifty-one cents – far short of the amount needed to compensate for our loss of shared revenue.

We are not asking for a lot – just modest increases, below even the rate of inflation. If Tommy Thompson had approved – instead of vetoing – a 2% increase passed by the state legislature last year, we would have an additional \$11.5 million over the last two years for our budget.

If shared revenue had increased by just 2% per year since 1995, when the freeze started, we would have an additional \$28 million for this budget and our rate would be \$8.51 – \$1.98 less than the adopted 2001 rate.

It's been a difficult challenge, but I offer you a budget that I believe balances the need for high quality services and the capacity of taxpayers to support those services.

One way or another, next year's budget process will also be difficult. I have already talked to Council President Pratt and Alderman Gordon about anticipating future needs. Normally, the city's Budget Office starts work on the budget early in the year but doesn't really start working with the Council's budget staff until June.

Next year, I hope we can begin working together right at the beginning of the process. We need to look at fundamental, systemic changes if we are to maintain the quality of services that people expect and deserve. Past cooperation with this Council since 1988 – reducing spending growth from the rate set in the 1980's – has led to taxpayer savings of \$385 million and has helped spark a citywide revival.

Milwaukee is a city that we all love. At the beginning of the 21st century, we have a unique opportunity before us. If we work together – if we face our challenges – Milwaukee can achieve its potential. I truly believe that Milwaukee is positioned to be one of the world's great places to live, work, and do business.

I know that together we can make that happen.

Thank you,

A handwritten signature in black ink, appearing to read "John O. Norquist". The signature is stylized with a large, looping initial "J" and a prominent horizontal stroke across the middle.

JOHN O. NORQUIST
Mayor

FREDRICK G. GORDON
ALDERMAN, 7TH DISTRICT



CITY HALL
MILWAUKEE, WISCONSIN

CHAIRMAN:
FINANCE & PERSONNEL COMMITTEE

VICE CHAIRMAN:
FINANCE & PERSONNEL COMMITTEE

MEMBER:
JUDICIARY & LEGISLATION COMMITTEE
WISCONSIN CENTER DISTRICT BOARD
REDEVELOPMENT AUTHORITY
PRIVATE INDUSTRY COUNCIL
LIBRARY BOARD

FINANCE & PERSONNEL COMMITTEE REPORT ON THE 2001 ADOPTED CITY BUDGET

Each year, the Finance & Personnel Committee reviews the Mayor's Proposed Executive Budget for the City of Milwaukee, and submits its recommended amendments to the Common Council. On November 10, 2000, the Council adopted a 2001 City Budget. There were no mayoral vetoes.

The year 2000 was an election year for City officials. With the exception of Vice-Chair Ald. Suzanne Breier, there were four new members of the Finance & Personnel Committee appointed by Council President Ald. Marvin Pratt: Ald. Paul Henningsen, Ald. Michael D'Amato, Ald. Willie Hines, and myself, Ald. Fredrick Gordon, Chair. I wish to thank my colleagues on the committee for their tireless commitment to maintaining basic services and enhancing the quality of life in our neighborhoods throughout the City, while respecting the state expenditure restraint program guidelines to ensure future state aid.

Each year's budget process has its own challenges, twists and turns. The 2001 Budget was no different, but marked by one critical feature: significant user fees. The Mayor's 2001 Proposed Budget included an \$88 Solid Waste Fee and a \$10.14 property tax rate, an increase of 45 cents from the 2000 rate of \$9.69 per \$1,000 of assessed valuation. While that is a significant increase, the rate would have been even higher--\$11.24--if the Proposed Budget did not include several new user fees. The Common Council's actions ultimately resulted in a rate of \$10.49, an increase of 80 cents from the 2000 tax rate.

User fees are key to taking operating costs off the property tax levy and assigning them to those who benefit most directly from certain City services. During its weeks of budget deliberations, the Finance & Personnel Committee scrutinized and amended the Mayor's Proposed Budget. The Common Council amended the Mayor's Proposed Budget to reduce the \$88 Solid Waste Fee to \$44 for waste collection from residential properties of 1-4 units; approved a \$3



increase in citation forfeitures for parking violations; approved a graduated Litter Fee to be added to the existing food license fees to cover costs associated with the clean-up of waste thrown on public and private property generated by food establishments; and restored garbage collection to apartment buildings of 5 or more units at 100% of cost. The 2001 Budget as approved by the Council also included a change in the recovery rates for assessable improvements such as sidewalk replacement and alley paving, which will increase assessable improvement revenues realized by the City. User fees—particularly the new Solid Waste Fee—played a significant role in containing the property tax rate increase in the 2001 City Budget, as well as maintaining the City's eligibility for state aid under the state expenditure restraint program.

Common Council initiatives which were approved as part of the 2001 Adopted City Budget included:

- Restoring position authority and funding for the provision of Library Bookmobile service to residential stops across the City.
- Establishing a citywide Disadvantaged Business Enterprise Certification program.
- Increasing the Department of City Development's funding for brownfield-related activities by \$350,000.
- Increasing Tax Increment District borrowing authority by \$10 million to encourage economic development.
- Increasing funding for the Municipal Art Fund and the Municipal Arts Board special purpose account to fortify the City's commitment to the arts.
- Providing funding for diversity training for City employees.
- Restoring positions and funding relating to seasonal maintenance of the City's boulevards.
- Adding \$25,000 to the Forestry Division's planting program for the Greening Milwaukee Schools Initiative.
- Appropriating \$400,000 in Community Development Block Grant funds for various tax levy funded projects within the CDBG target area, in addition to the \$500,000 provided in the Mayor's Proposed Budget.
- Providing funding for the Employee Retirement System's global pension settlement implementation.

This budget season was the second time in history a Finance Committee budget hearing was held away from City Hall, "bringing the budget to the community." On Friday, October 20, 2000 a public hearing on the proposed budgets for the Fire Department, the Police Department and the Public Library was held at the Mary Ryan Boys and Girls Club, 3000 N. Sherman Boulevard. Additional budget hearings will be held in neighborhood settings in future years.

This new Finance & Personnel Committee's thoughtful deliberations on the 2001 City Budget have set the tone for the next several budget years. Strategic planning and a creative approach to both fiscal policy and how the City "does business" will be the framework for maximizing our City's potential for the benefit of every Milwaukee resident. The future is now; the Common Council and the mayoral administration must work together to ensure the fiscal health of our City, the cornerstone that unites us all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fredrick G. Gordon". The signature is stylized with a large, sweeping initial "F" and "G".

Fredrick G. Gordon
Alderman, 7th District
Chair, Finance & Personnel Committee

THE VALUE OF MILWAUKEE

Milwaukee exists because it possesses natural economic advantages which cause people and businesses to concentrate in large and increasing numbers. As a result of the proximity and connectedness of Milwaukee's diverse people and enterprises, huge benefits flow -- jobs are created, markets are formed and expanded, wealth is created, and surplus wealth leads to culture.

OUR VISION FOR MILWAUKEE

We want Milwaukee to become an even more desirable place to live and work. Our city's attributes include:

- dynamic and accessible markets gainfully employing citizens;
- safe, strong, and beautiful neighborhoods with well-maintained housing and a healthy environment; and,
- a flourishing culture recognized for its arts, recreation, museums, and institutions of education.

MISSION

City government is dedicated to reducing spending while giving residents and businesses the highest quality services possible. The city also works to create local, state, and federal policies (especially transportation, welfare, and education policies) that enhance the natural advantage of Milwaukee. We are committed to:

- providing a safe, secure environment for citizens and visitors;
- promoting an economic climate that supports job creation;
- creating opportunities that make citizens successful; and,
- providing a sound and highly reliable physical infrastructure, including transportation and water systems, and a safe, healthy environment.

WINDOW TO THE FUTURE

Introduction

Looking out over Milwaukee from the Firststar building, we see a city that is in the midst of great change. Immediately to the east is the addition to the Milwaukee Art Museum designed by Santiago Calatrava. To the west is the new Midwest Express Center. Spanning across the entire city are neighborhoods that are growing stronger and thriving. In all directions, Milwaukee's transformation to a vibrant urban center is taking shape. To continue our success, Milwaukee must draw on its strengths from the past and face the challenges and opportunities of the future. Milwaukee must give people what they want in a city: low crime, quality services at a competitive price, and good schools; while enticing them with aspects of city life they never really appreciated before.

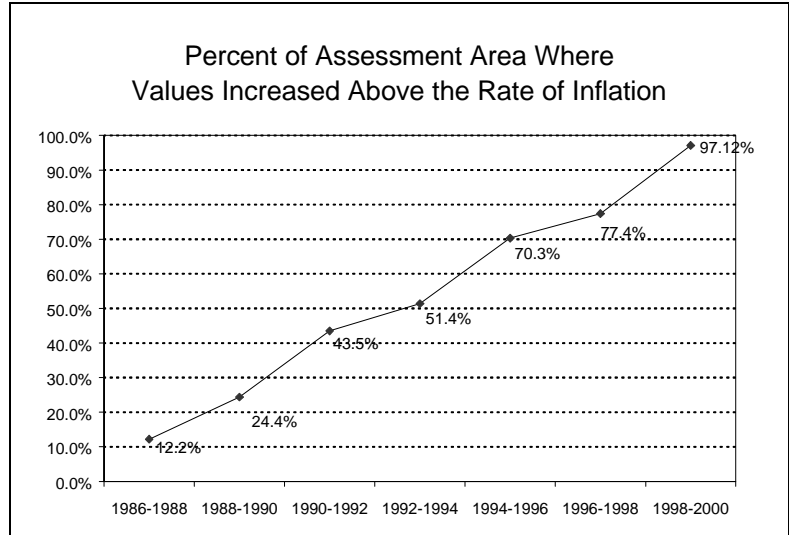
Remembering the Past

During the 1980's, Milwaukee experienced several disturbing trends. Population decreased from 636,295 in 1980 to 628,088 in 1990. The total crime rate approached 10,000 per 100,000 population, property values were decreasing and school dropout rates were over 10%. The city's poverty rate was 22% and the unemployment rate was 7%, with some areas of the city reaching 20% unemployment. These challenges reflected the city's growing pains as it transitioned from a manufacturing-based economy to a service-based economy. Proactive steps had to be taken to reverse these trends.

Evaluating Our Progress

Throughout the 1990's, Milwaukee experienced a significant turnaround. Wages steadily rose and unemployment fell to approximately 5%. Property values also made a rebound. Inflation adjusted assessed values increased 13% from 1993 to 2000. The percent of assessment areas where average property values increased above the rate of inflation

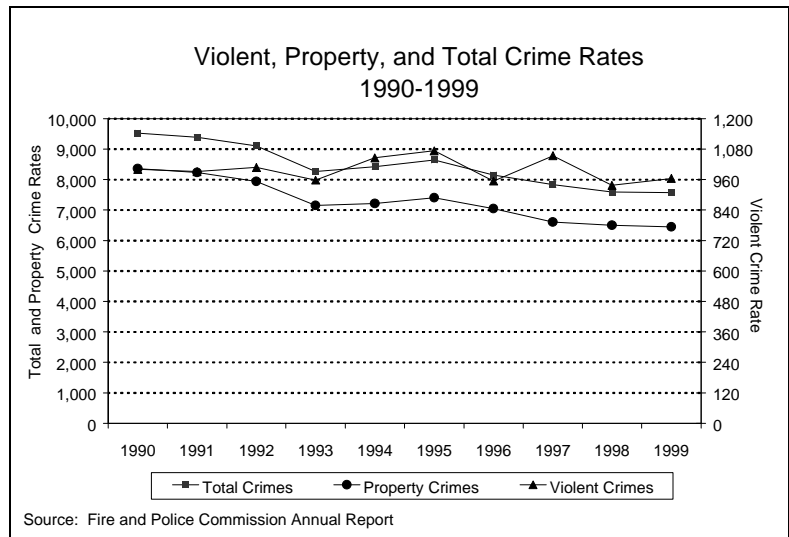
Figure 1



topped 97% in 2000 compared to 12% in 1988 (see Figure 1). Property value growth has extended to all areas of the city including those that had long seen decreasing values. Central city aldermatic districts saw increases of over 15% in the 2000 assessment.

The city's crime rate has also seen substantial improvement. In 1997, the Police Department instituted a quality-of-life initiative, based on the "broken window" theory. By more strictly enforcing smaller

Figure 2



violations, larger offenses can be prevented. As Figure 2 shows, total crime decreased by 20% between 1990 and 1999, with a corresponding reduction in violent crimes of 3% and property crimes of over 20%.

Yet despite these improvements, the city cannot succeed unless it has strong schools. All parents deserve to give their children the best opportunity for a quality education whether in public or private schools. To this end, the city has been a strong supporter of school choice and charter schools. The State of Wisconsin has given the City of Milwaukee the authority to create charter schools. To date, the city has created four charter schools with approximately 200 children enrolled. The city will continue to support initiatives that give children the best chance to learn.

Looking Through the Window into the Future: A Time of Transformation

While Milwaukee has made significant improvements in its quality-of-life, the work does not end. Milwaukee is poised to make itself one of the best places in which to live, work, do business, and play not only in the Midwest but the entire Nation.

Milwaukee's Economic Outlook

Milwaukee's economy during the 20th century was dominated by the manufacturing sector. As the transition to a service sector economy occurred, dire predictions were voiced for Milwaukee, as well as other "rust belt" cities such as Cleveland, Detroit and Pitts-

burgh. For a while, these predictions seemed to be coming true. As residents with higher skill and income levels left the cities for the suburbs, central cities were left with lower income, less skilled residents.

Accordingly, cities had to find a way to make changes by reinventing and repositioning themselves: they had to rely on their natural advantages and value. Cities have long had aspects that could never be matched by sprawling suburbs: density and a rich cultural life. Businesses locating to a particular region look for aspects that give their employees stimulation outside of work. They look for a business climate where they can succeed. Milwaukee has met this challenge head on.

What makes Milwaukee different from most cities is that as its economy has diversified, it has retained a considerable level of manufacturing. In 1998, manufacturing constituted 21.5% of gross city product. The city is committed to bringing higher paying manufacturing and light industrial jobs to city's residents. Milwaukee can accomplish this by creating a healthy business climate, and where appropriate, assist with the remediation of contaminated properties and facilitating business assistance loans or grants to companies who are interested in relocating to the city or expanding existing facilities.

Strong Economic Growth

Milwaukee's economy has historically trailed the growth in the U.S. economy. However, in recent years, the city's economic growth has matched or

Table 1

THE MILWAUKEE ECONOMY: HISTORY AND FORECAST (GCP in thous. 96 chain weighted \$) Prepared by: City of Milwaukee, Budget and Management Division									
	ACTUAL						ESTIMATE	FORECAST	
	1993	1994	1995	1996	1997	1998	1999	2000	2001
GROSS CITY PRODUCT	\$ 19,961,312	\$ 19,506,689	\$ 20,021,932	\$ 20,542,021	\$ 21,497,393	\$ 22,394,059	\$ 23,030,316	\$ 23,637,892	\$ 24,267,663
GCP GROWTH (CITY)	3.4%	-2.3%	2.6%	2.6%	4.7%	4.2%	2.8%	2.6%	2.7%
GDP GROWTH (NATION)	2.7%	4.0%	2.7%	3.6%	4.4%	4.4%	4.2%	5.2%	3.5%
CONSTRUCTION	\$ 439,016	\$ 437,437	\$ 375,835	\$ 430,568	\$ 449,771	\$ 453,403	\$ 474,479	\$ 479,377	\$ 484,290
Construction Growth	-4.1%	-0.4%	-14.1%	14.6%	4.5%	0.8%	4.6%	1.0%	1.0%
MANUFACTURING	\$ 3,918,318	\$ 4,259,287	\$ 4,493,503	\$ 4,478,429	\$ 4,872,657	\$ 4,826,367	\$ 4,832,154	\$ 4,891,689	\$ 4,998,468
Manufacturing Growth	5.0%	8.7%	5.5%	-0.3%	8.8%	-0.9%	0.1%	1.2%	2.2%
T.C.P.U.	\$ 2,096,556	\$ 2,062,148	\$ 2,047,564	\$ 1,971,043	\$ 2,004,048	\$ 2,150,670	\$ 2,165,812	\$ 2,165,587	\$ 2,164,486
T.C.P.U. Growth	3.6%	-1.6%	-0.7%	-3.7%	1.7%	7.3%	0.7%	0.0%	-0.1%
WHOLESALE TRADE	\$ 1,234,210	\$ 1,160,154	\$ 1,199,624	\$ 1,349,818	\$ 1,468,463	\$ 1,630,804	\$ 1,746,428	\$ 1,890,241	\$ 2,029,531
Wholesale Trade Growth	-2.6%	-6.0%	3.4%	12.5%	8.8%	11.1%	7.1%	8.2%	7.4%
RETAIL TRADE	\$ 1,316,252	\$ 1,322,374	\$ 1,319,733	\$ 1,381,295	\$ 1,385,790	\$ 1,499,178	\$ 1,557,825	\$ 1,604,933	\$ 1,650,914
Retail Trade Growth	-1.2%	0.5%	-0.2%	4.7%	0.3%	8.2%	3.9%	3.0%	2.9%
F.I.R.E.	\$ 5,015,217	\$ 4,511,949	\$ 4,822,669	\$ 5,071,868	\$ 5,260,738	\$ 5,527,739	\$ 5,649,250	\$ 5,796,000	\$ 5,920,149
F.I.R.E. Growth	5.4%	-10.0%	6.9%	5.2%	3.7%	5.1%	2.2%	2.6%	2.1%
SERVICES	\$ 5,939,239	\$ 5,750,863	\$ 5,759,727	\$ 5,855,796	\$ 6,051,991	\$ 6,302,005	\$ 6,599,730	\$ 6,805,254	\$ 7,014,842
Services Growth	3.6%	-3.2%	0.2%	1.7%	3.4%	4.1%	4.7%	3.1%	3.1%

exceeded the national growth. In 1997, the gross city product grew 0.3% faster than the gross domestic product and in 1998, the city's growth was only 0.2% less than the Nation's economy (see Table 1).

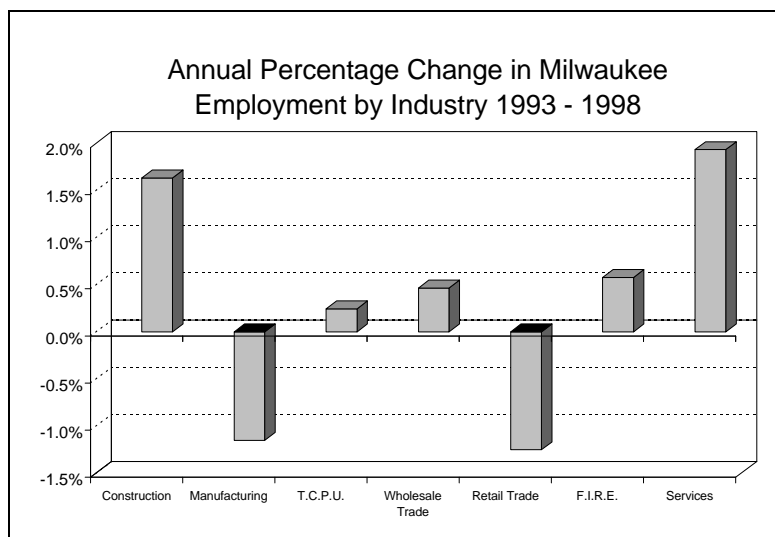
This growth was also experienced in most sectors of the city's economy as well. After a sluggish first part of the 1990's, construction activity increased over 14% in 1996 and continued its modest growth in 1997 and 1998. Manufacturing had fairly uneven growth during the 1990's, but is expected to make modest gains into the new decade. The area with the most growth during the latter part of the 1990's was wholesale trade growing by 8.8% in 1997 and 11.1% in 1998. The Budget and Management Division forecasts the city's economy to continue its growth although at a slower pace than 1997 and 1998.

Employment and Wages

The city's employment showed slight gains during the 1990's. Total employment increased by 1.8% in 1998 (see Table 2). The small gains in employment are due to a labor shortage affecting many areas of the Midwest, including Milwaukee. Despite small gains in total employment, the city is becoming more productive, as evidenced by overall economic growth of over 4% in 1998. Employment in Milwaukee is forecast to remain relatively unchanged for the next couple of years. This is consistent with State of Wisconsin projections.

The sector with the greatest gain in employment from 1993 to 1998 was the service sector (see Figure 3). With an annual change of almost 2%, the service sector continues to be the most dominant employment sector in

Figure 3



Milwaukee. An encouraging aspect of employment in Milwaukee is the growth in construction. Growing at just over 1.5% annually it is second behind services in growth since 1993 (see Table 2). Higher construction employment means that people are investing in the community by building new structures or modifying existing structures.

Table 2

Milwaukee Employment by Industry									
	ACTUAL						ESTIMATE	FORECAST	
	1993	1994	1995	1996	1997	1998	1999	2000	2001
TOTAL	314,736	309,669	312,700	315,340	317,266	322,869	326,014	328,703	331,392
Percentage Change		-1.6%	1.0%	0.8%	0.6%	1.8%	1.0%	0.8%	0.8%
CONSTRUCTION	7,340	7,339	6,473	7,373	7,773	7,960	8,077	8,147	8,216
Percentage Change		0.0%	-11.8%	13.9%	5.4%	2.4%	1.5%	0.9%	0.8%
MANUFACTURING	63,404	64,303	64,364	62,303	61,901	59,842	57,611	56,641	55,671
Percentage Change		1.4%	0.1%	-3.2%	-0.6%	-3.3%	-3.7%	-1.7%	-1.7%
T.C.P.U.	21,040	21,267	20,990	20,671	20,296	21,300	21,063	20,909	20,755
Percentage Change		1.1%	-1.3%	-1.5%	-1.8%	4.9%	-1.1%	-0.7%	-0.7%
WHOLESALE TRADE	16,317	14,844	15,841	16,521	16,566	16,701	16,776	16,866	16,956
Percentage Change		-9.0%	6.7%	4.3%	0.3%	0.8%	0.4%	0.5%	0.5%
RETAIL TRADE	44,734	43,937	43,594	43,417	41,180	42,006	42,477	42,090	41,703
Percentage Change		-1.8%	-0.8%	-0.4%	-5.2%	2.0%	1.1%	-0.9%	-0.9%
F.I.R.E.	33,048	30,918	32,288	32,906	32,471	33,253	34,017	34,312	34,607
Percentage Change		-6.4%	4.4%	1.9%	-1.3%	2.4%	2.3%	0.9%	0.9%
SERVICES	128,853	127,061	129,150	132,149	137,079	141,808	145,994	149,739	153,485
Percentage Change		-1.4%	1.6%	2.3%	3.7%	3.4%	3.0%	2.6%	2.5%
Percentage Manufacturing of Total Employment - MIL.	20.1%	20.8%	20.6%	19.8%	19.5%	18.5%	17.7%	17.2%	16.8%
Percentage Manufacturing of Total Employment - U.S.	20.6%	20.3%	19.8%	19.4%	18.1%	17.7%		N/A	N/A

Source: ES-202 Data Adjusted to Include Public School Employees for 1993 to 1998.

As the city's economy continues to grow, so does the Adjusted Gross Income (AGI) and real wages. Although the AGI declined in the first half of the 1990's, the inflation adjusted AGI rebounded 8% between 1993 and 1998. Real wages have also increased substantially since 1992. The strongest areas of growth are services and F.I.R.E. with growth over 10% between 1992 and 1998 (see Figure 4). However, wages still lag behind U.S. wages in F.I.R.E., wholesale trade, and manufacturing.

City's Fiscal Future

Overall, the city's fiscal future looks promising. However, there are several issues that present significant challenges to the city's long-term financial health. One of these is the continued increased cost of employee wages and benefits. Salaries and fringe benefits constitute over 80% of the city's 2001 general fund budget. Each has been growing at a pace faster than inflation. With a goal to keep overall general fund spending below the rate of inflation, the city is in a tenuous situation.

Health care is the largest strain on the city's budget. As Figure 5 indicates, health care costs are increasing faster than the rate of inflation. This is primarily due to changes in the health care industry as well as rising costs in the city's basic plan health coverage. Since 1988, the net cost per employee health care contract increased 150% while the number of people enrolled in the basic plan has decreased over 20%.

The rising cost of salaries and fringe benefits keep Milwaukee near the top in expenditures per capita compared to other Milwaukee County municipalities. In 1998, Milwaukee had the fourth highest expenditures per capita. On the other hand, city revenue is not keeping pace with expenditures. Milwaukee ranked second lowest in revenue per capita in 1998. This is due to the lower tax capacity of Milwaukee residents, declining intergovernmental revenue, minimal growth in other revenue sources, and the inability to explore alternative sources of revenue.

Figure 4

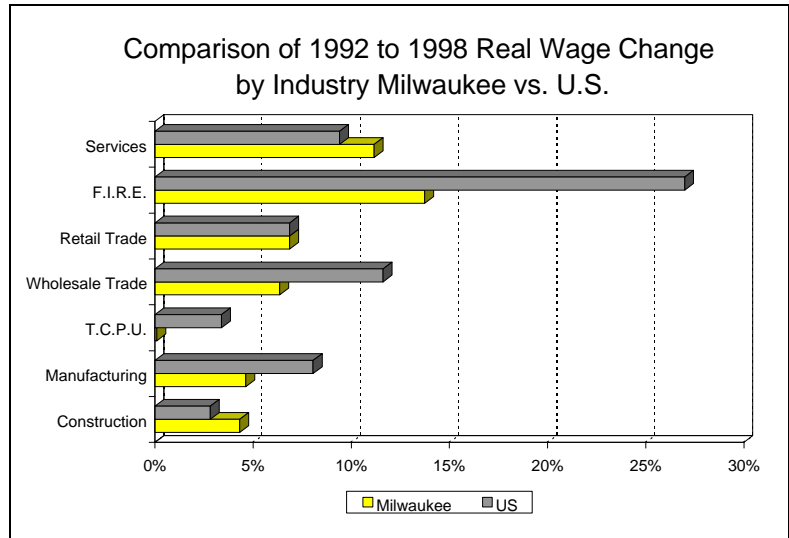


Figure 5

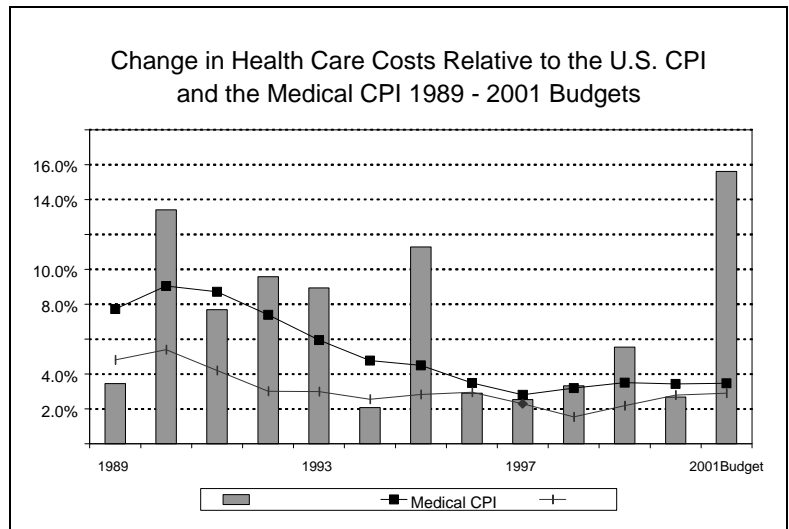
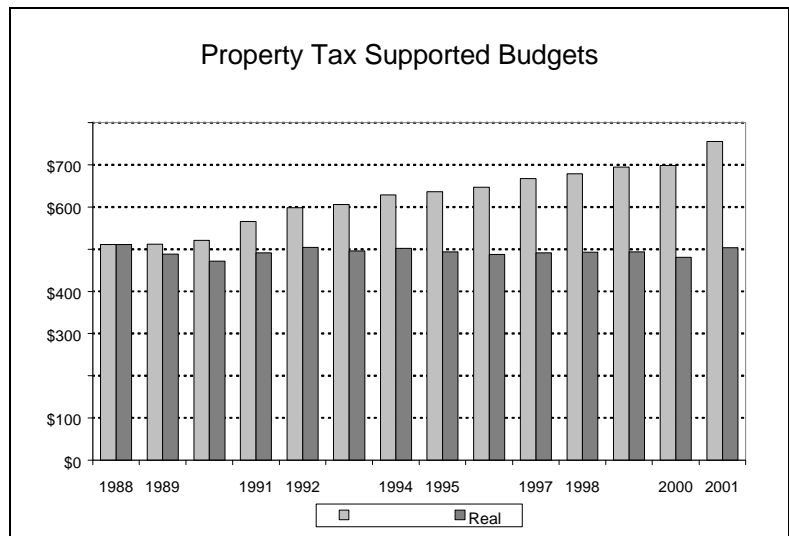


Figure 6



Milwaukee has addressed the challenges posed by expenditure growth by scrutinizing city budgets, implementing operational efficiencies and structural reorganizations, and by identifying and eliminating non value-added city functions. Despite the city's goal of controlling spending at the rate of inflation, Milwaukee still ranks near the top in expenditures per capita when compared to other Milwaukee County municipalities. In 1988, Milwaukee had the fourth highest expenditures per capita.

Milwaukee has also tried to control the growth of its property tax levy (see Table 3). Since 1988, the city's tax levy has dropped by over \$24 million in real terms. In recent years, this goal has been more difficult to achieve because the city's other revenue sources have been declining in real terms. In addition, significant uncertainty surrounds the city's largest source of revenue: intergovernmental revenue. The largest component of intergovernmental revenue is state shared revenue. Shared revenue accounts for roughly 45% of the city's total revenue sources, and the state formula that distributes this revenue has been frozen since 1995. Again in 2001, the city's state shared revenue payment will decrease by approximately 4% in real terms. And, as a result, the city has had to look locally for other revenue alternatives.

Due to these challenges, the 2001 budget contains a \$30.5 million increase in the tax levy with a \$0.80 increase in the tax rate. Nevertheless, the 2001 budget includes several initiatives to control spending and minimize the tax levy increase. The budget includes a new \$44 solid waste fee to pay for a portion of the cost of providing solid waste removal services. Other new revenue sources includes an increase in the food license fee to recover more of the city's costs and a \$3 increase in non-moving traffic citations. Each of these fee increases represents a decision to have the primary users of city services bear a greater portion of the cost rather than general property taxpayers.

Kettl Commission

In 1999, Governor Thompson vetoed a small increase in the shared revenue program. Local officials across Wisconsin spoke out against the Governor's veto. Under mounting pressure, the

Governor announced in his 2000 State of the State Address the formation of the Wisconsin Blue Ribbon Commission on State-Local Partnerships for the 21st Century. The Governor named University of Wisconsin-Madison Professor Donald Kettl to chair the commission. The commission's 32 members include representatives from the City of Milwaukee, Milwaukee Public Schools, Milwaukee County, as well as elected and non-elected officials from local government, local education, state government, non-profit sectors, for-profit sectors, and the University of Wisconsin. The Governor charged the commission to think of itself as a kind of "constitutional convention" to think big, and make radical changes in the structure of local government, local financing, state government, and service delivery.

At this point it is difficult to predict whether the commission will achieve consensus, and if so, what it will agree on. Members have expressed considerable interest in simplifying the relationship between local government and the state, principally by "sorting out" the functions they perform so that fewer functions are simultaneously financed by both local and state revenues and are accountable to both local and state policymakers.

But the underlying issue that triggered the creation of the commission, the shrinking of state shared revenue, has not been resolved. Commission members have expressed a common belief in what has been termed the "Badger Birthright". This is the idea that, regardless of where you live in Wisconsin you should

Table 3

Comparison of Property Tax Rates in Milwaukee County Ranking of Full Value Effective Tax Rate			
1993 (1994 Budget)	1995 (1996 Budget)	1998 (1999 Budget)	1999 (2000 Budget)
1 West Milwaukee	1 West Milwaukee	1 West Milwaukee	1 West Milwaukee
2 West Allis	2 Shorewood	2 Shorewood	2 Shorewood
3 St. Francis	3 West Allis	3 Brown Deer	3 St. Francis
4 Shorewood	4 Greenfield	4 St. Francis	4 West Allis
5 Cudahy	5 St. Francis	5 West Allis	5 Cudahy
6 MILWAUKEE	6 Cudahy	6 Cudahy	6 Bayside
7 Greenfield	7 Franklin	7 Franklin	7 Franklin
8 Hales Corners	8 Oak Creek	8 Bayside	8 Greendale
9 Franklin	9 Hales Corners	9 Greenfield	9 Greenfield
10 Oak Creek	10 MILWAUKEE	10 Greendale	10 River Hills
11 Greendale	11 Whitefish Bay	11 Whitefish Bay	11 Brown Deer
12 Whitefish Bay	12 Bayside	12 Fox Point	12 Fox Point
13 Brown Deer	13 Greendale	13 MILWAUKEE	13 Hales Corners
14 Wauwatosa	14 Brown Deer	14 Oak Creek	14 Whitefish Bay
15 So. Milwaukee	15 Wauwatosa	15 Hales Corners	15 MILWAUKEE
16 Fox Point	16 River Hills	16 Glendale	16 Glendale
17 Glendale	17 Fox Point	17 River Hills	17 Oak Creek
18 River Hills	18 So. Milwaukee	18 Wauwatosa	18 Wauwatosa
19 Bayside	19 Glendale	19 So. Milwaukee	19 So. Milwaukee

receive essential municipal services such as police, fire, public health, water, sewer, roads and so forth of comparable quality and at comparable tax rates. This “Badger Birthright”, most commission members acknowledge, requires the preservation of equalizing state aid. Thus, while there is widespread recognition that the current shared revenue program deserves to be scrutinized and perhaps fixed, it should not be scrapped or so badly cut that communities with less wealth will end up with vastly inferior services, much higher property tax rates, or both.

The Governor has pledged that he will include the commission's recommendations in the next state budget. What those recommendations will be and what budget provisions will flow from them, still remains to be seen. The commission does not complete its work until early December, 2000.

A New Generation in Crime Reduction

As stated earlier, the city has made significant strides in reducing the crime rate. However, the work is not complete – in many areas of the city, the crime rate is still too high. To that end, the Mayor convened a crime commission whose task was to listen to city's residents and make recommendations on how to reduce the city's violent crime rate by 50%.

The Mayor's Commission on Crime

In the spring of 2000, Milwaukee Mayor John Norquist convened a broadly based commission to develop strategies on dramatically reducing violent crime. Chaired by former Alderman Reverend Roy Nabors and Fire and Police Commissioner Woody Welch, the Mayor's Commission on Crime brought together more than thirty members representing varying constituencies.

The Mayor's Commission on Crime heard from several hundred people in a series of public hearings. Each of its five subcommittees thoroughly examined the issues and options for reducing crime. And the commission evaluated crime reduction efforts in other cities, particularly Boston, which have seen significant crime reductions.

The commission's report, delivered on August 1, 2000, stressed the importance of involving as many people as possible in the efforts to make the city safer. For example, the commission recommended

quarterly public meetings in each police district. It also suggested creating community justice centers as locations where individuals address and resolve community crime and neighborhood safety issues. Collaborations between churches, government agencies, community organizations, and local colleges are currently underway.

Turning the Old Into the New: Economic Development

As an urban area that has expanded to its borders, Milwaukee has to find new uses for its older properties. Some of these properties are either contaminated, suspected of being contaminated, or too small for significant development. Others have been abandoned and have years of delinquent taxes due. The largest of these properties rests in the Menomonee Valley. The Menomonee Valley sits as the divider between the north and south sides of the city.

The most significant development opportunity in the Valley is a 100-acre former Milwaukee Roads Shop just east of the stadium. Long neglected, this property is designated as an industrial park that can support approximately 800-1,200 family-supporting jobs. The jobs created will increase the vitality of the neighborhoods near the site.

While bringing high wage employment to the area is a priority, there will also be a focus on increasing recreation in the area. In the summer of 2000, the first part of the Hank Aaron Trail opened. The trail will eventually extend eastward to the lakefront.

Downtown Development

Along with the revitalization of older, industrial sites, the city will continue its efforts to make downtown Milwaukee a major destination. Harley Davidson will open a new museum and restaurant on the north end of downtown. To complement this development, the city will create a tax increment district to finance the extension of the RiverWalk to the museum site. As part of the overall plan to extend downtown development north, the Park East Freeway will be torn down. The freeway, long an obstruction to the north end of downtown, will be removed and approximately 25-acres underneath it will be developed.

With the opening of the Midwest Express Convention Center, it has become imperative that the surrounding area is vibrant and welcoming. The major retail anchor is the Grand Avenue Mall. Increasing vacancy rates and under-utilization has made it necessary to undertake a change in the overall focus of the mall. Already the former Marshall Fields building will house a new hotel and the Greater Milwaukee Visitors and Convention Bureau headquarters, among others. The second transformation will involve the mall's remaining anchor, Boston Store. The city, along with the State of Wisconsin and Wisconsin Energy Corporation, are joining together to ensure the future vitality of the store. Wisconsin Energy will purchase and remodel the Boston Store building to include underground parking, market-rate apartments, and a store that better reflects retail trends. The city will continue to work with the mall's owners on a redevelopment plan for the remaining portion of the mall.

Neighborhood Development

Even as Milwaukee continues its redevelopment of downtown, emphasis will shift to encourage the same redevelopment in the city's neighborhoods. Local commercial districts are the lifelines of the city's neighborhoods. They promote a sense of community by having many services within walking distance, such as small retail stores and restaurants. The Department of City Development is in the process of developing plans for the city's approximately forty commercial districts. Also, the department will work to bring major retailers to a long neglected central city. Jewel/Osco will build a store in the heart of the central city at 32nd Street and North Avenue. In addition, Wal-Mart will open a store in Milwaukee's Riverwest neighborhood in late 2000. Equally as important to neighborhood vitality and commercial districts is quality housing. In addition to the conversion of warehouses to apartments, the

city is building new housing in several neighborhoods. The Beer Line "B" area north of downtown has three new housing developments, totaling 211 units, in the area north of downtown. Two areas of the city will see new subdivisions, one on the south side and the other on the northwest side. Total new investment in these areas is over \$70 million.

Our Children's Window: Education

Milwaukee Public Schools (MPS) has seen many changes in the past 25 to 30 years. In a city where the minority population is only 30%, over three-quarters of MPS enrollment is minority and is poor enough to qualify for free or reduce school lunch. With most students from households where each parent work, schools have become more than a place of reading and writing. They now must provide before- and after-school activities and safe havens from crime.

A major stumbling block to effectively meet the needs of students is busing. Implemented as a way to increase integration in schools, busing has had the unintentional effect of disconnecting children and parents not only from the neighborhoods in which they live but also from the neighborhoods where they attend school.

Neighborhood Schools Initiative

Milwaukee Public Schools in the 21st century will undertake a major restructuring of how it serves the city's children. Currently, several areas of the city are under-served by elementary schools. That is, in many areas of the city, the elementary school age population is greater than the number of seats available. As a result, the district has to spend considerable amount of funding to bus children from their neighborhoods to where the available seats are located.

Table 4

Guiding Principles for Neighborhood Schools Plan

- | | |
|---|--|
| 1) Creating Community-Rich Neighborhood Schools | 8) Guaranteeing School and Neighborhood Safety |
| 2) Providing Full-Day K4 and K5 Programs | 9) Partnering with Community Agencies |
| 3) Providing Before- and After-School Programs | 10) Increasing Community Awareness and Support |
| 4) Increasing K-8 Programs | 11) Revamp Transportation and Enrollment Policies |
| 5) Increasing Accessibility to Bilingual, English, and Second Language Programs | 12) Develop Recommendations and Policies that Address Student Mobility |
| 6) Serving Students with Special Needs | 13) Increase Contracting, Employment and Educational Opportunities |
| 7) Reducing Student-Teacher Ratios in Early Grades | 14) Replicating Successful Programs for Neighborhood Schools |

Source: Milwaukee Public Schools Neighborhood Schools Plan Executive Summary

In October 1999, the Wisconsin legislature passed the Neighborhood Schools Initiative. This initiative allows MPS to borrow up to \$170 million in order to reduce busing and expand neighborhood school options in the city. Neighborhood schools allow for greater participation by parents as well as an improved way of connecting the school with the surrounding area. After months of parental input, MPS unveiled its plan in August, 2000. There are fourteen "guiding principles" to this plan (see Table 4).

The Neighborhood Schools Initiative will build new neighborhood schools as well as expand existing schools in the areas of the city where most of the children reside. The plan calls for constructing 6 new schools, renovating or expanding 35 schools, and leasing additional space for 11 schools. Thirty-two schools will be converted to kindergarten through eighth grade and 1,100 new bilingual seats will be added. All told, there will be 11,000 new seats available in neighborhood schools with 750,000 square feet of additional space.

The Neighborhood Schools Plan will be financed through borrowing authority granted by the State of Wisconsin and cost savings generated from programmatic changes. The Redevelopment Authority of the City of Milwaukee is authorized to borrow up to \$170 million for this purpose. However, MPS anticipates only needing \$98.4 million in borrowing authority. The plan was submitted to the Wisconsin State Legislature in September, 2000. The school district anticipates full implementation in six years.

2001 Budget Initiatives

Window of Opportunity: Improving Government Effectiveness and Efficiency

Technology Initiative: E-government

By the definition of many, sometime during the past 100 years, the world entered into what has become known as "the information age". Some observers claim the information age began in 1837, with Samuel Morse's invention of the telegraph. Others place the date in 1875, when Alexander Graham Bell beckoned Mr. Watson on the world's first simple telephone. Certain scholars even give credit for the rise of the information age - and, perhaps, blame for the piles of paper that adorn corporate desks worldwide - on Johannes Gutenberg's invention of movable type around 1450. Others, however, typically establish the

start of the information age around 1970, when the general emergence of computers began to make information more easily accessible and widely available.

Whether in Gutenberg's time, the 1970's, or today, information has always been around. From the earliest cave paintings to contemporary e-mail, people have continually focused significant effort on communicating important thoughts and ideas. The biggest difference between then and now is the amount of information available and the speed at which it travels.

Like most other major governments, Milwaukee manages a daunting amount of information. Over time the city has recorded and encoded everything from personnel files and property data to street light locations and library fines. The city's role in managing these mountains of information is that of data custodian: Milwaukee must make readily available the information that citizens want and need, while simultaneously protecting the privacy of both residents and employees.

In late 2000 and through 2001, Milwaukee will take a number of significant steps to ensure that visitors to the city's website can obtain the information they need, swiftly and with a minimal amount of effort. By January 1, 2001 the city will unveil a newly redesigned website intended to facilitate navigation, emphasize ease of use, and focusing on services instead of city departments.

"Map Milwaukee" ties together critical information with geographic data behind an intuitive and easy to use web browser-based interface. Citizens seeking to locate information on houses on their street with building code violations could obtain street addresses from the city's database. Map Milwaukee will not only furnish addresses; it will display them on a map as well. It will allow users to query on multiple variables: users can now find houses valued under \$50,000, with code violations, that have absentee landlords. Map Milwaukee will also provide radius searches; allowing users to seek information not just for addresses on their street, but within a given distance in any direction from their home.

One of the Internet's greatest strengths lies in its interactive capabilities. Much like the telephone, it represents a "two-way" medium, a strength that Mil-

waukee intends to use to best advantage to improve the quality of services to city residents. In 2001 the City of Milwaukee will create a true “e-government” website that will change the way many citizens interact with their government.

E-government will allow city residents with access to a computer connected to the Internet not only to obtain information from the city but to provide the city with information as well. Users will have the ability to request specific types of services, download job notices and applications, report public nuisances, obtain licenses or permits, or make certain kinds of payments. These Internet-based capabilities will not supplant the more traditional methods for requesting services. They will simply provide residents with a speedy and simple alternative to the telephone or a trip to city hall.

However, to take full advantage of the opportunities offered by online service requests, the city must reengineer many behind-the-scenes processes to create greater efficiencies in moving requests from the initial point of contact to city staff who will provide the service. The 2001 budget contains \$150,000 to begin the reengineering efforts that will result in faster and better service for all city residents.

Future of Measurement

As part of the 2000 budget, the city instituted new program result measures. This change coincided with the implementation of the city’s new Financial Management Information System. Existing outcome indicators will remain to measure performance in broad objective areas, such as the incidence of communicable disease measured by the rate of immunization among two-year olds. The significant change is the identification and development of performance measures for the programs that support the objectives. In 2001, the city will work to develop an annual “report card” to policymakers and citizens of city services.

Solid Waste Fund

The 2001 budget creates an enterprise fund for the city solid waste services. The solid waste fee will recover approximately 25% of the city’s solid waste collection costs through a charge for service, rather than through the property tax levy. The solid waste

fee will be charged to those properties currently using the city’s solid waste services. These include one, two, three, and four family homes, condominiums, and some exempt properties. Solid waste costs not recovered through the fee, as well as costs associated with snow and ice removal, will continue to be paid through property taxes. This change enables the city to diversify its local revenue base.

New Library

The 2001 capital budget includes \$1,635,000 to fund the first phase of a new library to replace the Finney Library. This project stems from the interest of Milwaukee Public Schools to acquire the existing Finney Library for the construction of a new school. The first phase of the new library construction project will include the initial planning and design throughout the spring and summer of 2001, with expected groundbreaking in the fall of 2001 and completion in 2002. The new library is expected to be approximately 20,000 square feet that includes a computer center. Total estimated cost of the new library is \$4,165,000, which will be funded in the 2001 and 2002 capital budgets.

Land Redevelopment

In 2001, the city will take a more proactive approach to redevelopment of tax delinquent properties that are suspected of being contaminated. Often referred to as “brownfields”, these properties are typically vacant. The city has chosen not to foreclose on these properties because of unfavorable laws concerning municipal liability. As a result, there are over 300 properties with \$9.4 million in delinquent taxes that are in “limbo”.

With changes in state statutes that reduce the risk to municipalities came new opportunities to redevelop many of these properties. The city and its partners will initiate several actions to put these properties back into productive use. A new special purpose account will allow the Department of City Development to work with the City Attorney’s Office in bringing personal lawsuits against delinquent tax property owners. Funding totaling \$600,000 (\$350,000 in the Development Fund capital account and \$250,000 in CDBG Funding) will be used for environmental clean-up on properties. An additional \$200,000, funded by the Milwaukee Economic Development Corporation, is provided to assist with

clearing delinquent taxes when selling these properties. Redevelopment of these properties means an increase in the property tax base and employment for city residents.

Enhancing Neighborhood Cleanliness

A new initiative will be implemented as part of the 2001 budget between the Department of Neighborhood Services and the Department of Public Works-Sanitation Division. This initiative formally adopts the Neighborhood Clean-up Pilot Program, which began in 1999, under the direction of the Sanitation Division and the Department of Neighborhood Services. The Neighborhood Clean-up Initiative will be funded through a special purpose account, of the same name, for an amount totaling \$70,000. The Sanitation Division's budget includes funding for two new skid loaders and four new Mad Vacs. These new pieces of equipment will be used to support this

new initiative. In the first year of this initiative, the Department of Neighborhood Services and Sanitation Division employees will work to provide one targeted clean-up per aldermanic district. During the course of each targeted clean-up, Sanitation Division employees will collect all refuse that is left out on the curbs. After the clean-up has taken place, the Department of Neighborhood Services will survey the area and issue abatement orders for any remaining litter and nuisance vehicles.

Conclusion

Milwaukee finds itself poised to enter and succeed in the 21st century. Recognizing that new approaches need to be pursued aggressively, the city strives to build upon past successes. While many challenges remain, Milwaukee views these challenges as opportunities in the making.

2001 ADOPTED BUDGET AND TAX RATE COMPARED TO PRIOR YEAR

PURPOSE OF EXPENDITURE AND FUNDING SOURCE	2000 ADOPTED BUDGET*	2001 ADOPTED BUDGET*	CHANGE 2001 MINUS 2000 ADOPTED	TAX RATE / \$1,000		CHANGE 2001 MINUS 2000 ADOPTED
				2000 ADOPTED	2001 ADOPTED	
A. GENERAL CITY PURPOSES						
1. Budget (Expend. Auth.)	\$450,924,070	\$467,503,846	\$16,579,776			
2. Non Tax Levy Funding	395,539,012	391,243,089	-4,295,923			
3. Tax Levy Funding	55,385,058	76,260,757	20,875,699	\$3.58	\$4.43	\$0.85
B. EMPLOYEE RETIREMENT						
1. Budget (Expend. Auth.)	\$49,155,740	\$62,972,527	\$13,816,787			
2. Non Tax Levy Funding	12,484,891	27,029,964	14,545,073			
3. Tax Levy Funding	36,670,849	35,942,563	-728,286	\$2.37	\$2.09	\$-0.28
C. CAPITAL IMPROVEMENTS						
1. Budget (Expend. Auth.)	\$85,710,056	\$105,248,389	\$19,538,333			
2. Non Tax Levy Funding	83,072,576	102,962,552	19,889,976			
3. Tax Levy Funding	2,637,480	2,285,837	-351,643	\$0.17	\$0.13	\$-0.04
D. CITY DEBT						
1. Budget (Expend. Auth.)	\$106,243,430	\$113,487,421	\$7,243,991			
2. Non Tax Levy Funding	57,270,048	53,997,165	-3,272,883			
3. Tax Levy Funding	48,973,382	59,490,256	10,516,874	\$3.16	\$3.46	\$0.29
E. DELINQUENT TAX						
1. Budget (Expend. Auth.)	\$1,400,000	\$1,600,000	\$200,000			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	1,400,000	1,600,000	200,000	\$0.09	\$0.09	\$0.00
F. CONTINGENT FUND						
1. Budget (Expend. Auth.)	\$5,000,000	\$5,000,000	\$0			
2. Non Tax Levy Funding	0	0	0			
3. Tax Levy Funding	5,000,000	5,000,000	0	\$0.32	\$0.29	\$-0.03
SUBTOTAL (A+B+C+D+E+F)						
1. Budget (Expend. Auth.)	\$698,433,296	\$755,812,183	\$57,378,887			
2. Non Tax Levy Funding	548,366,527	575,232,770	26,866,243			
3. Tax Levy Funding	150,066,769	180,579,413	30,512,644	\$9.69	\$10.49	\$0.80
G. PARKING FUND						
1. Budget (Expend. Auth.)	\$25,401,779	\$46,887,202	\$21,485,423			
2. Non Tax Levy Funding	25,401,779	46,887,202	21,485,423			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
H. GRANT AND AID						
1. Budget (Expend. Auth.)	\$72,385,581	\$79,774,019	\$7,388,438			
2. Non Tax Levy Funding	72,385,581	79,774,019	7,388,438			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
J. WATER DEPARTMENT						
1. Budget (Expend. Auth.)	\$79,999,526	\$84,835,439	\$4,835,913			
2. Non Tax Levy Funding	79,999,526	84,835,439	4,835,913			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
K. SEWER MAINTENANCE FUND						
1. Budget (Expend. Auth.)	\$30,475,620	\$33,385,434	\$2,909,814			
2. Non Tax Levy Funding	30,475,620	33,385,434	2,909,814			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
L. SOLID WASTE FUND						
1. Budget (Expend. Auth.)	\$0	\$35,541,537	\$35,541,537			
2. Non Tax Levy Funding	0	35,541,537	35,541,537			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
M. COUNTY DELQ TAXES FUND						
1. Budget (Expend. Auth.)	\$0	\$5,650,000	\$5,650,000			
2. Non Tax Levy Funding	0	5,650,000	5,650,000			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
SUBTOTAL (G+H+J+K+L+M)						
1. Budget (Expend. Auth.)	\$208,262,506	\$286,073,631	\$77,811,125			
2. Non Tax Levy Funding	208,262,506	286,073,631	77,811,125			
3. Tax Levy Funding	0	0	0	\$0.00	\$0.00	\$0.00
TOTAL (A through M)						
1. Budget (Expend. Auth.)	\$906,695,802	\$1,041,885,814	\$135,190,012			
2. Non Tax Levy Funding	756,629,033	861,306,401	104,677,368			
3. Tax Levy Funding	150,066,769	180,579,413	30,512,644	\$9.69	\$10.49	\$0.80

Tax Rates and Assessed Value - 2001 requested rate column is based on an estimated assessed value of
\$17,213,036,647 as of November 30, 2000.

PROPERTY TAX PROFILE
COMBINED PROPERTY TAX RATES 1997-2001
(PER \$1,000 ASSESSED VALUATION, ROUNDED TO THE NEAREST FULL CENT)
(RATES MAY NOT ADD DUE TO ROUNDING)

	1997	1998	1999	2000	2001
City of Milwaukee (controlled by the Common Council)					
General City Purposes	\$3.42	\$2.93	\$2.98	\$3.58	\$4.43
Provision for Employee Retirement	2.47	2.32	2.23	2.37	2.09
Capital Improvement Program	0.75	0.79	0.88	0.17	0.13
City Debt (Including School Debt)	3.14	3.49	3.19	3.16	3.46
Delinquent Tax Fund	0.09	0.10	0.09	0.09	0.09
Common Council Contingent Fund	0.38	0.37	0.34	0.32	0.29
Subtotal - City of Milwaukee	\$10.24	\$9.99	\$9.71	\$9.69	\$10.49
Area Board of Vocation, Technical and Adult Education District 9	\$2.01	\$2.11	\$2.01	\$2.16	\$2.00
Milwaukee School Board	12.00	10.85	10.97	10.38	9.87
Metropolitan Sewerage District	1.72	1.77	1.72	1.80	1.68
State - Forestry	0.20	0.21	0.20	0.21	0.20
Milwaukee County	5.72	5.96	5.72	5.82	5.46
Subtotal - Other Taxing Bodies	\$21.65	\$20.90	\$20.62	\$20.37	\$19.21
Total Combined Tax Rate	\$31.89	\$30.89	\$30.33	\$30.06	\$29.70
State Tax Credit	\$-2.46	\$-2.35	\$-2.04	\$-2.00	\$-1.69
Net Tax Rate	\$29.43	\$28.54	\$28.29	\$28.06	\$28.01

PROPERTY TAX LEVIES FOR COMMON COUNCIL CONTROLLED PURPOSES

	1997	1998	1999	2000	2001
General City Purposes	\$49,861,354	\$43,115,927	\$47,163,328	\$55,385,058	\$76,260,757
Provision for Employee Retirement	35,994,880	34,126,351	35,287,106	36,670,849	35,942,563
Capital Improvement Program	10,937,300	11,700,172	13,891,120	2,637,480	2,285,837
City Debt	45,723,072	51,346,908	50,443,483	48,973,382	59,490,256
Delinquent Tax Fund	1,300,000	1,400,000	1,400,000	1,400,000	1,600,000
Common Council Contingent Fund	5,500,000	5,400,000	5,400,000	5,000,000	5,000,000
Total Property Tax Levies for Common Council Controlled Purposes	\$149,316,606	\$147,089,358	\$153,585,037	\$150,066,769	\$180,579,413

TAXABLE ASSESSED VALUATION
City of Milwaukee 1997-2001

	1997	1998	1999	2000	2001
Residential	\$8,402,290,620	\$8,457,841,610	\$9,093,197,600	\$9,163,659,090	\$10,292,622,989
Commercial	4,741,241,000	4,751,563,914	5,123,443,125	5,104,209,557	5,612,521,788
Manufacturing	570,908,100	571,006,100	625,806,100	633,181,600	741,471,600
Total Real Estate	\$13,714,439,720	\$13,780,411,624	\$14,842,446,825	\$14,901,050,247	\$16,646,616,377
Personal Property	\$1,136,166,880	\$1,133,725,610	\$1,229,667,210	\$873,822,920	\$936,378,220
Total Taxable Assessed Valuation	\$14,850,606,600 (a)	\$14,914,137,234 (b)	\$16,072,114,035 (c)	\$15,774,873,167 (d)	\$17,582,994,597 (e)

* Amount Includes Tax Increment District Assessed Value.

(a) Based upon assessed values as of December 4, 1996.

(b) Based upon assessed values as of December 5, 1997.

(c) Based upon assessed values as of December 2, 1998.

(d) Based upon assessed values as of December 14, 1999.

(e) Based upon assessed values as of November 30, 2000.

**COMPARISONS BY BUDGET SECTION
BETWEEN 2001 ADOPTED AND 2000 ADOPTED BUDGETS
REVENUES, TAX LEVIES AND RESULTING CHANGES**

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
A. GENERAL CITY PURPOSES			
Appropriations			
Salaries and Wages	\$290,747,303	\$290,446,218	\$-301,085
Fringe Benefits	71,952,616	81,301,495	9,348,879
Operating Expenditures	57,760,958	45,088,298	-12,672,660
Equipment Purchases	11,498,241	11,360,556	-137,685
Special Funds	90,917,568	120,608,774	29,691,206
Fringe Benefit Offset	<u>-71,952,616</u>	<u>-81,301,495</u>	<u>-9,348,879</u>
TOTAL APPROPRIATIONS	\$450,924,070	\$467,503,846	\$16,579,776
Funding Sources			
General City Revenues	\$384,289,012	\$385,743,089	\$1,454,077
Tax Stabilization Fund Withdrawal	11,250,000	5,500,000	-5,750,000
Potential Anticipated Revenues	0	0	0
Property Tax Levy	<u>55,385,058</u>	<u>76,260,757</u>	<u>20,875,699</u>
TOTAL REVENUES	\$450,924,070	\$467,503,846	\$16,579,776
B. EMPLOYEE RETIREMENT			
TOTAL APPROPRIATIONS	\$49,155,740	\$62,972,527	\$13,816,787
Funding Sources			
Non-Property Tax Revenue	\$12,484,891	\$27,029,964	\$14,545,073
Property Tax Levy	<u>36,670,849</u>	<u>35,942,563</u>	<u>-728,286</u>
TOTAL REVENUES	\$49,155,740	\$62,972,527	\$13,816,787
C. CAPITAL IMPROVEMENTS			
TOTAL CAPITAL IMPROVEMENTS PROGRAM APPROPRIATIONS	\$85,710,056	\$105,248,389	\$19,538,333
Funding Sources			
1. BORROWING (General Obligation)			
a. New	\$63,526,453	\$61,181,642	\$-2,344,811
b. Carryover	(91,999,702)	(143,299,563)	(51,299,861)
2. BORROWING (Tax Incremental Districts)			
a. New	\$8,000,000	\$19,500,000	\$11,500,000
b. Carryover	(20,234,180)	(28,234,180)	(8,000,000)
3. SPECIAL ASSESSMENTS (Internal Borrowing)			
a. New	\$3,827,923	\$8,556,910	\$4,728,987
b. Carryover	(12,178,725)	(12,165,654)	(13,071)
4. CASH FINANCED			
a. FROM REVENUES			
1. New	\$7,718,200	\$13,724,000	\$6,005,800
2. Carryover	(0)	(0)	(0)
b. FROM TAX LEVY	<u>2,637,480</u>	<u>2,285,837</u>	<u>-351,643</u>
c. TOTAL CASH FINANCED	\$10,355,680	\$16,009,837	\$5,654,157
TOTAL REVENUES (Capital Improvements)	\$85,710,056	\$105,248,389	\$19,538,333

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
D. CITY DEBT			
TOTAL APPROPRIATIONS (Includes borrowing for Milwaukee Public Schools)	\$106,243,430	\$113,487,421	\$7,243,991
Funding Sources			
Revenues	\$30,909,053	\$30,676,644	\$-232,409
TID Increments	14,010,105	10,321,613	-3,688,492
Special Assessments	0	0	0
Delinquent Tax Revenue	12,350,890	12,998,908	648,018
Property Tax Levy	<u>48,973,382</u>	<u>59,490,256</u>	<u>10,516,874</u>
TOTAL REVENUES	\$106,243,430	\$113,487,421	\$7,243,991
E. DELINQUENT TAX			
TOTAL APPROPRIATIONS	\$1,400,000	\$1,600,000	\$200,000
Funding Sources			
TOTAL REVENUE (Property Tax Levy)	\$1,400,000	\$1,600,000	\$200,000
F. COMMON COUNCIL CONTINGENT FUND			
TOTAL APPROPRIATIONS	\$5,000,000	\$5,000,000	\$0
Funding Sources			
TOTAL REVENUE (Property Tax Levy)	\$5,000,000	\$5,000,000	\$0
<hr/>			
SUBTOTALS (ITEMS A THROUGH F)			
CITY BUDGET APPROPRIATIONS (Excluding Special Revenue Accounts)	\$698,433,296	\$755,812,183	\$57,378,887
Less: Non-Property Tax Revenues	<u>548,366,527</u>	<u>575,232,770</u>	<u>26,866,243</u>
PROPERTY TAX LEVIES	\$150,066,769	\$180,579,413	\$30,512,644
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SPECIAL REVENUE ACCOUNTS (ITEMS G THROUGH M)			
G. PARKING			
TOTAL APPROPRIATIONS	\$25,401,779	\$46,887,202	\$21,485,423
Funding Sources			
Current Revenues	\$13,294,088	\$14,000,551	\$706,463
Capital Improvements from Reserves	10,000,000	5,000,000	-5,000,000
Withdrawal from Reserves	0	4,037,361	4,037,361
Parking Enforcement Offset	2,107,691	0	-2,107,691
Citation Revenue and Processing	0	22,099,290	22,099,290
New Borrowing	0	1,750,000	1,750,000
Other Funding (Carryover Borrowing)	(2,043,000)	(7,912,160)	(5,869,160)
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	\$25,401,779	\$46,887,202	\$21,485,423
H. GRANT AND AID			
TOTAL APPROPRIATIONS	\$72,385,581	\$79,774,019	\$7,388,438
Funding Sources			
Grantor Share	\$72,385,581	\$79,769,019	\$7,383,438
Out of Pocket Current Year	0	5,000	5,000
In Kind-City	0	0	0
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	\$72,385,581	\$79,774,019	\$7,388,438

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
I. INTERNAL SERVICE AGENCIES			
TOTAL APPROPRIATIONS	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$0
J. WATER WORKS			
Appropriations			
Operating Budget	\$49,234,526	\$50,585,439	\$1,350,913
Capital Improvements Program	12,120,000	14,275,000	2,155,000
Debt Service (Principal and Interest)	8,400,000	8,400,000	0
Withdrawal from Retained Earnings	<u>10,245,000</u>	<u>11,575,000</u>	<u>1,330,000</u>
TOTAL APPROPRIATIONS	\$79,999,526	\$84,835,439	\$4,835,913
Funding Sources			
Current Operating Revenues	\$62,445,000	\$61,239,963	\$-1,205,037
Non-Operating Revenues	5,290,246	5,217,784	-72,462
Proceeds from Borrowing	0	0	0
Use of Retained Earnings	12,264,280	18,377,692	6,113,412
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REVENUES	\$79,999,526	\$84,835,439	\$4,835,913
K. SEWER MAINTENANCE			
Appropriations			
Operating Budget	\$15,915,620	\$18,085,434	\$2,169,814
Capital Improvements Program	<u>14,560,000</u>	<u>15,300,000</u>	<u>740,000</u>
TOTAL APPROPRIATIONS	\$30,475,620	\$33,385,434	\$2,909,814
Funding Sources			
Sewer User Fee	\$15,539,870	\$18,020,434	\$2,480,564
Equipment Contribution	61,250	0	-61,250
Charges for Services	146,500	100,000	-46,500
Miscellaneous Revenue	168,000	730,000	562,000
Proceeds from Borrowing	<u>14,560,000</u>	<u>14,535,000</u>	<u>-25,000</u>
TOTAL REVENUES	\$30,475,620	\$33,385,434	\$2,909,814
L. SOLID WASTE			
Appropriations			
Operating Budget	\$0	\$35,541,537	\$35,541,537
Capital Improvements Program	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL APPROPRIATIONS	\$0	\$35,541,537	\$35,541,537
Funding Sources			
Solid Waste Fee	\$0	\$7,951,900	\$7,951,900
City Contribution	0	27,085,837	27,085,837
Miscellaneous Revenue	<u>0</u>	<u>503,800</u>	<u>503,800</u>
TOTAL REVENUES	\$0	\$35,541,537	\$35,541,537
M. COUNTY DELINQUENT TAXES			
Appropriations			
Operating Budget	<u>\$0</u>	<u>\$5,650,000</u>	<u>\$5,650,000</u>
TOTAL APPROPRIATIONS	\$0	\$5,650,000	\$5,650,000

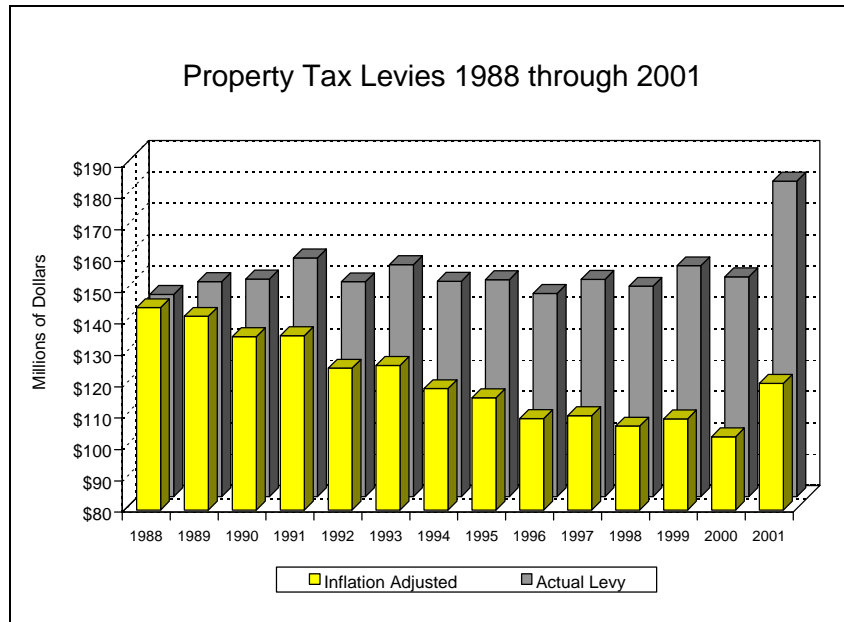
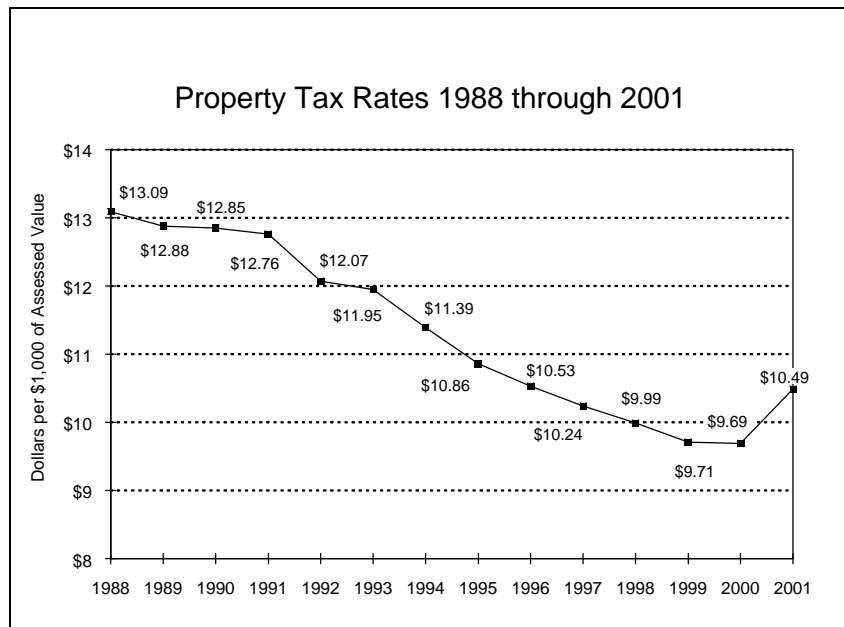
	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Funding Sources			
Operating Revenue	<u>\$0</u>	<u>\$5,650,000</u>	<u>\$5,650,000</u>
TOTAL REVENUES	\$0	\$5,650,000	\$5,650,000
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SUBTOTALS SPECIAL REVENUE ACCOUNT BUDGETS (ITEMS G THROUGH M)			
TOTAL BUDGETS	\$208,262,506	\$286,073,631	\$77,811,125
TOTAL REVENUES (NON-PROPERTY TAX)	\$208,262,506	\$286,073,631	\$77,811,125
<hr/>			
GRAND TOTALS (ITEMS A THROUGH M)			
BUDGET APPROPRIATIONS	\$906,695,802	\$1,041,885,814	\$135,190,012
LESS: NON-PROPERTY TAX REVENUES	\$756,629,033	\$861,306,401	\$104,677,368
PROPERTY TAX LEVIES	\$150,066,769	\$180,579,413	\$30,512,644

NOTE: All adopted budgets for the governmental funds are prepared in accordance with the modified accrual basis of accounting, except for the treatment of the fund balance reserved for tax stabilization. For budget purposes, the fund balance reserved for tax stabilization is reflected as other financing sources. However, for accounting purposes it is reflected as part of the overall fund balance.

PROPERTY TAX RATE AND LEVY COMPARISON

The graphs below show property tax rates and levies for the City of Milwaukee from 1988 through 2001. The 2001 tax rate of \$10.49 is \$0.80 higher than the 2000 rate of \$9.69. The 2001 tax levy of \$180.6 million totals an increase of \$30.5 million from the 2000 levy of \$150.1 million. This significant increase reflects the loss of state shared revenues and increases in salary

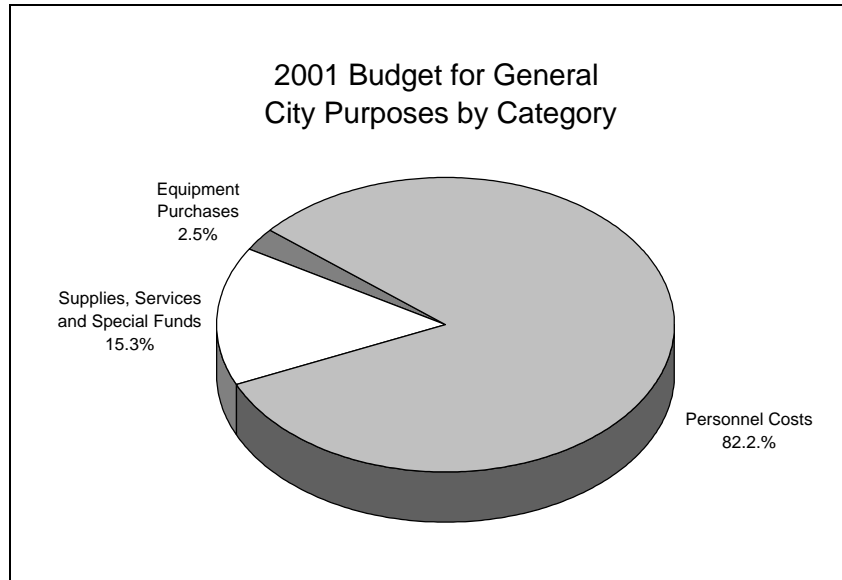
settlements and health care costs that exceed the rate of inflation. Since 1988, the property tax rate has decreased by \$2.60, from \$13.09 in 1988 to the 2001 rate of \$10.49. During this same period, the “real” or inflation adjusted property tax levy has fallen by \$24.3 million.



GENERAL CITY PURPOSES SPENDING

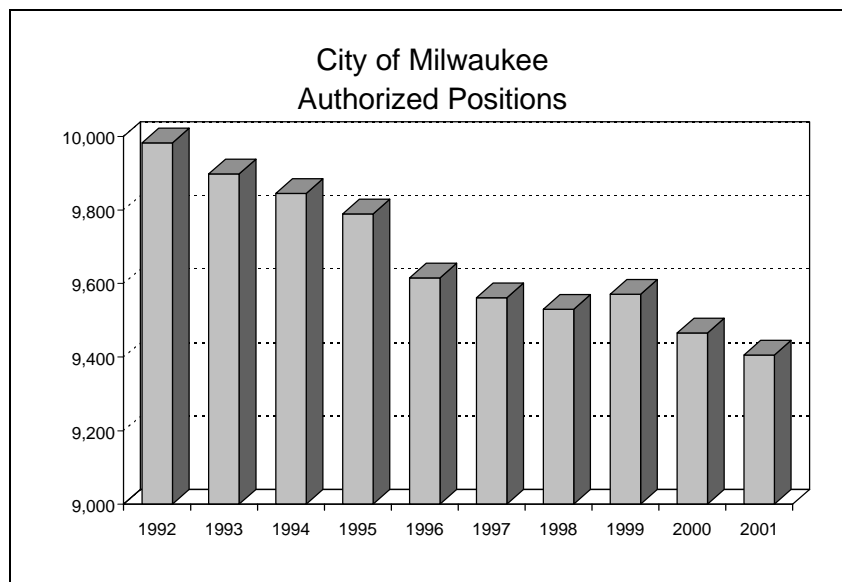
The pie chart below depicts the proportions of general city purposes spending allocated to personnel costs (82.2%); supplies, services, and special funds

(15.3%); and equipment purchases (2.5%) in the 2000 budget.



The following bar graph indicates changes in authorized positions from 1992 to 2001. Funding for personnel costs (which include salary and wage) relate directly to the number of positions authorized

citywide. Excluding temporary and seasonal staff, the 2001 budget reflects a net reduction of 60 positions from 2000 levels (9,466 in 2000 to 9,406 in 2001).



ESTIMATED FULL-TIME EQUIVALENTS BY DEPARTMENT O & M FUNDED

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Administration, Dept of (DOA)	87.30	86.00	-1.30
Assessor's Office	66.00	61.87	-4.13
Attorney, City	61.86	60.96	-0.90
City Development	68.35	60.86	-7.49
Common Council-City Clerk	105.50	103.39	-2.11
Comptroller	54.50	56.07	1.57
Court, Municipal	44.00	43.12	-0.88
Debt Commission, Public	2.00	2.00	0.00
Election Commission*	6.00	6.00	0.00
Employee Relations, Dept of (DER)	65.00	65.84	0.84
Fire and Police Commission	10.65	10.40	-0.25
Fire Department	1,127.20	1,144.25	17.05
Health	242.05	223.75	-18.30
Library	357.78	350.65	-7.13
Mayor's Office	16.10	15.78	-0.32
Neighborhood Services, Dept of	176.33	172.28	-4.05
Police Department	2,658.10	2,637.48	-20.62
Port of Milwaukee	20.00	20.00	0.00
Public Works, Dept of (DPW) (Operating Total)	(1,294.64)	(902.92)	(-391.72)
DPW-Administrative Services	63.75	58.90	-4.85
DPW- Buildings and Fleet	395.60	409.32	13.72
DPW-Forestry	164.71	168.21	3.50
DPW-Infrastructure Services	273.60	266.49	-7.11
DPW-Sanitation	396.98	0.00	-396.98
Special Purpose Accounts	7.30	7.30	0.00
Treasurer, City	35.90	36.18	0.28
TOTAL	6,506.56	6,067.10	-439.46
PENSIONS			
Employees' Retirement System	27.50	35.00	7.50
Policemen's Annuity and Benefit Fund			
Administration	0.54	0.54	0.00
TOTAL	28.04	35.54	7.50
Parking	89.50	123.25	33.75
Sewer Maintenance Fund	101.90	96.95	-4.95
Solid Waste Fund	0.00	387.71	387.71
Water Works	389.38	392.30	2.92
GRAND TOTAL	7,115.38	7,102.85	-12.53

* Election Commission does not include Election Inspectors, Election Registrars, and Temporary Office Assistants (24.53 FTEs 2001) due to extreme fluctuations between election and non-election years.

CHANGE IN POSITIONS

2000 ADOPTED BUDGET VS 2001 ADOPTED BUDGET

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
GENERAL CITY PURPOSES			
Administration, Department of	138	135	-3
Assessor's Office	71	69	-2
Attorney, City	67	67	0
Common Council - City Clerk	110	109	-1
City Development, Department of	300	287	-13
Comptroller	67	68	1
Court, Municipal	55	55	0
Debt Commission, Public	5	5	0
Election Commission	1,717	1,345	-372
Employee Relations, Department of	103	84	-19
Fire Department	1,146	1,148	2
Fire and Police Commission	16	16	0
Health	374	368	-6
Library	446	447	1
Mayor's Office	22	22	0
Neighborhood Services	277	280	3
Police Department	2,933	2,920	-13
Port of Milwaukee	35	35	0
Public Works, Department of (Total)	(3,454)	(2,349)	(-1,105)
DPW-Administrative Services	71	73	2
DPW-Buildings and Fleet	1,179	1,178	-1
DPW-Forestry	307	312	5
DPW-Infrastructure Services	801	786	-15
DPW-Sanitation	1,096	0	-1,096
SPA-Board of Zoning Appeals	11	11	0
SPA-Deferred Compensation	2	2	0
SPA-Intern Program	8	8	0
Treasurer, City	65	67	2
GENERAL CITY PURPOSES TOTAL	11,422	9,897	-1,525
*GENERAL CITY PURPOSES TOTAL	9,711	8,558	-1,153
PENSIONS			
Employees' Retirement System	72	38	-34
Policemen's Annuity and Benefit Fund	1	1	0
PENSIONS TOTAL	73	39	-34
Parking Fund	99	125	26
Water Works	412	400	-12
Solid Waste Fund	0	1,096	1,096
Sewer Maintenance Fund	190	191	1
SUB-TOTAL BUDGETED POSITIONS	12,196	11,748	-448
Less Temporary Positions	2,730	2,342	-388
TOTAL BUDGETED POSITIONS	9,466	9,406	-60

ESTIMATED DIRECT LABOR HOURS BY DEPARTMENT O & M FUNDED

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2001 ADOPTED
Administration, Department of (DOA)	157,140	153,900	-3,240
Assessor's Office	122,800	111,368	-11,432
Attorney, City	111,348	109,721	-1,627
City Development	120,942	109,548	-11,394
Common Council-City Clerk	189,900	184,338	-5,562
Comptroller	97,158	98,114	956
Court, Municipal	79,200	74,529	-4,671
Debt Commission, Public	3,512	3,512	0
Election Commission*	10,800	10,800	0
Employee Relations, Department of (DER)	116,500	114,286	-2,214
Fire and Police Commission	18,770	18,720	-50
Fire Department	2,491,401	2,585,118	93,717
Health	435,690	402,750	-32,940
Library	644,004	627,632	-16,372
Mayor's Office	29,523	29,439	-84
Neighborhood Services, Department of	317,394	310,110	-7,284
Police Department	4,385,865	4,351,842	-34,023
Port of Milwaukee	43,000	43,680	680
Public Works, Dept of (DPW) (Operating Total)	(2,342,295)	(1,619,065)	(-723,230)
DPW-Administrative Services	108,200	106,020	-2,180
DPW- Buildings and Fleet	712,150	725,532	13,382
DPW-Forestry	296,484	300,078	3,594
DPW-Infrastructure Services	510,897	487,435	-23,462
DPW-Sanitation	714,564	0	-714,564
Special Purpose Accounts	13,352	12,692	-660
Treasurer, City	63,835	65,124	1,289
TOTAL	11,794,429	11,036,288	-758,141
PENSIONS			
Employees' Retirement System	49,500	63,000	13,500
Policemen's Annuity and Benefit Fund			
Administration	978	978	0
TOTAL	50,478	63,978	13,500
Parking	161,100	221,850	60,750
Sewer Maintenance Fund	184,020	174,510	-9,510
Solid Waste Fund	0	697,878	697,878
Water Works	671,059	671,610	551
GRAND TOTAL	12,861,086	12,866,114	5,028

* Election Commission does not include Election Inspectors, Election Registrars, and temporary Office Assistants (16,914 DLHs 2001) due to extreme fluctuations between election and non-election years.

**COMPARISON OF 2001 ADOPTED EXPENDITURES AND FUNDING SOURCES
WITH PRIOR YEARS, BY MAJOR BUDGET SECTIONS AND SUBSECTIONS**

SECTION 1. CITY BUDGET UNDER THE CONTROL OF THE COMMON COUNCIL

	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
A. GENERAL CITY PURPOSES					
1. BUDGETS FOR GENERAL CITY PURPOSES					
Administration, Department of	\$3,425,569	\$3,228,684	\$9,231,027	\$8,619,407	\$-611,620
Assessor's Office	4,551,969	4,439,380	4,245,524	4,018,451	-227,073
Attorney, City	5,439,773	5,603,326	5,537,412	5,821,012	283,600
Building Inspection	9,919,521	0	0	0	0
City Development, Department of	3,974,374	4,704,665	4,560,194	4,499,475	-60,719
Common Council-City Clerk	6,671,061	6,890,587	7,100,688	7,249,557	148,869
Comptroller	4,549,760	4,366,629	4,085,792	4,253,105	167,313
Court, Municipal	2,822,258	3,051,231	3,205,077	3,200,315	-4,762
Debt Commission, Public	517,100	492,355	521,784	567,012	45,228
Election Commission	1,234,873	983,184	1,415,998	999,485	-416,513
Employee Relations, Department of	4,646,806	4,285,248	4,043,771	4,183,115	139,344
Fire and Police Commission	877,968	880,101	876,807	976,738	99,931
Fire Department	76,729,598	78,490,653	67,938,765	81,196,723	13,257,958
Health Department	17,482,055	13,843,447	14,182,671	13,610,033	-572,638
Library Board	20,338,036	20,058,588	20,676,311	20,480,576	-195,735
Mayor's Office	1,173,552	1,163,477	1,193,244	1,198,280	5,036
Neighborhood Services, Department of	0	11,898,857	12,183,263	11,888,628	-294,635
Police Department	159,319,708	154,206,661	149,812,727	164,233,272	14,420,545
Port of Milwaukee	1,847,341	1,980,854	2,220,060	2,226,008	5,948
Public Works Department: (Total)	(102,549,474)	(107,862,638)	(101,090,613)	(69,609,799)	(-31,480,814)
Administrative Services	8,717,793	8,435,018	7,192,245	4,382,776	-2,809,469
Buildings and Fleet	30,419,325	35,307,883	30,344,791	34,472,881	4,128,090
Forestry	9,151,416	9,535,467	9,742,061	9,867,589	125,528
Infrastructure Services	23,417,679	23,145,603	21,719,040	20,886,553	-832,487
Sanitation	30,843,261	31,438,667	32,092,476	0	-32,092,476
Special Purpose Accounts	88,065,402 *	82,166,537 *	105,865,773	137,006,529	31,140,756
Treasurer, City	2,802,411	2,797,078	2,889,185	2,967,821	78,636
Fringe Benefit Offset	<u>0</u>	<u>-72,556,232</u>	<u>-71,952,616</u>	<u>-81,301,495</u>	<u>-9,348,879</u>
TOTAL BUDGETS FOR GENERAL CITY PURPOSES	\$518,938,609 **	\$440,837,948 **	\$450,924,070	\$467,503,846	\$16,579,776
* Special Purpose Account expenditures do not include wage supplement funding. These funds are reflected in departmental expenditures.					
2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES (REVENUES)					
Taxes and Payment in Lieu of Taxes	\$10,100,220	\$10,282,252	\$10,904,700	\$12,112,600	\$1,207,900
Licenses and Permits	8,119,185	8,996,140	8,758,900	8,816,900	58,000
Intergovernmental Revenue	278,964,628	277,884,104	279,056,500	278,731,700	-324,800
Charges for Services	23,266,348	37,076,562	33,911,312	33,636,623	-274,689
Fines and Forfeits	16,137,613	17,694,533	19,306,000	5,510,000	-13,796,000
Miscellaneous Revenue	20,356,659	8,862,513	18,465,600	26,301,385	7,835,785
Fringe Benefits	96,250,167	15,276,761	13,850,000	20,623,881	6,773,881
Cost Recovery	<u>186,977</u>	<u>4,903</u>	<u>36,000</u>	<u>10,000</u>	<u>-26,000</u>
TOTAL REVENUES	\$453,381,797	\$376,077,768	\$384,289,012	\$385,743,089	\$1,454,077
Tax Stabilization Fund Withdrawals	17,600,000	12,820,000	11,250,000	5,500,000	-5,750,000
Property Tax Levy	<u>43,115,936</u>	<u>53,963,328</u>	<u>55,385,058</u>	<u>76,260,757</u>	<u>20,875,699</u>
TOTAL FINANCING FOR GENERAL CITY PURPOSES	\$514,097,733	\$442,861,096	\$450,924,070	\$467,503,846	\$16,579,776
B. EMPLOYEE RETIREMENT					
1. BUDGETS FOR EMPLOYEE RETIREMENT					
FIREMEN'S PENSION FUND					
Pension Contribution	\$274,552	\$270,657	\$275,000	\$271,000	\$-4,000
Lump-Sum Supplement Contribution	0	0	0	1,104,651	1,104,651

	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
POLICEMEN'S PENSION FUND					
Pension Contribution	\$126,830	\$344,042	\$100,944	\$229,109	\$128,165
Administration	105,492	97,732	105,194	110,300	5,106
Employer's Share of Employees' Annuity Contribution	3,941	3,915	4,000	7,554	3,554
Lump-Sum Supplement Contribution	0	0	0	1,395,349	1,395,349
EMPLOYEE'S RETIREMENT FUND					
Pension Contribution	\$175,000	\$285,230	\$1,835,000	\$0	\$-1,835,000
Administration	5,356,838	4,175,001	12,320,437	24,112,175	11,791,738
Employer's Share of Employees' Annuity Contribution	19,284,675	19,042,596	19,014,050	17,702,290	-1,311,760
Annuity Contribution - Employers' Reserve Fund	0	0	0	2,500,000	2,500,000
SOCIAL SECURITY					
Social Security Tax	\$14,717,858	\$14,510,416	\$15,435,900	\$15,394,100	\$-41,800
FORMER TOWN OF LAKE EMPLOYEES' RETIREMENT FUND					
Pension Contribution	\$8,817	\$17,634	\$34,015	\$114,799	\$80,784
FORMER TOWN OF LAKE FIREMEN'S PENSION FUND					
Pension Contribution	<u>\$31,191</u>	<u>\$31,191</u>	<u>\$31,200</u>	<u>\$31,200</u>	<u>\$0</u>
TOTAL BUDGETS FOR EMPLOYEE RETIREMENT	\$40,085,194 **	\$38,778,414 **	\$49,155,740	\$62,972,527	\$13,816,787
2. SOURCE OF FUNDS FOR EMPLOYEE RETIREMENT					
Charges to Other Governmental Units	\$3,713,555	\$4,331,959	\$3,795,307	\$0	\$-3,795,307
Fringe Benefits - Pension	234,818	250,879	352,266	540,789	188,523
Charges to Retirement Fund	0	0	8,337,318	23,989,175	15,651,857
Employers' Reserve Fund	0	0	0	2,500,000	2,500,000
Property Tax Levy	<u>34,135,168</u>	<u>34,195,577</u>	<u>36,670,849</u>	<u>35,942,563</u>	<u>-728,286</u>
TOTAL FINANCING FOR EMPLOYEE RETIREMENT	\$38,083,541	\$38,778,415	\$49,155,740	\$62,972,527	\$13,816,787
C. CAPITAL IMPROVEMENTS					
1. BUDGETS FOR CAPITAL IMPROVEMENTS					
Special Capital Projects or Purposes	\$19,201,219	\$10,727,834	\$13,025,000	\$17,355,062	\$4,330,062
Administration, Department of	0	0	0	737,150	737,150
Assessor's Office	855	0	0	0	0
Attorney, City	0	0	45,300	0	-45,300
City Development, Department of	14,287,061	12,422,478	10,850,000	24,200,000	13,350,000
Common Council - City Clerk	0	22,461	0	69,000	69,000
Comptroller	0	0	0	0	0
Court, Municipal	90,052	105,356	0	0	0
Fire Department	1,940,095	412,512	1,600,000	3,789,900	2,189,900
Health Department	3,877,763	1,006,036	141,000	629,200	488,200
Library Board	1,784,923	1,570,283	880,000	3,460,000	2,580,000
Neighborhood Services, Department of	0	3,002	1,770,000	2,057,000	287,000
Police Department	941,074	4,113,525	21,093,180	9,693,544	-11,399,636
Port of Milwaukee	2,055,213	1,250,520	2,150,000	725,000	-1,425,000
Department of Public Works (Total):	(57,192,542)	(62,517,782)	(34,155,576)	(42,532,533)	(8,376,957)
Administration	189,976	1,064,872	70,000	600,000	530,000
Buildings and Fleet	8,463,501	5,416,588	4,510,000	6,587,000	2,077,000
Forestry	1,688,915	2,329,507	598,000	968,000	370,000
Infrastructure	46,411,203	52,877,284	28,977,576	32,790,533	3,812,957
Sanitation	438,947	829,531	0	1,587,000	1,587,000
Treasurer, City	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BUDGETS FOR CAPITAL IMPROVEMENTS - Other Than Parking, Water Department and Sewer Maintenance	\$101,370,797 **	\$94,151,789 **	\$85,710,056	\$105,248,389	\$19,538,333

	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
2. SOURCE OF FUNDS FOR CAPITAL IMPROVEMENTS					
General Obligation Borrowings					
New Borrowing	\$64,599,576	\$65,948,731	\$63,526,453	\$61,181,642	\$-2,344,811
Carryover Borrowing	0	0 (a)	91,999,702 (a)	141,432,403 (a)	49,432,701 (a)
Tax Increment District - Public Improvements					
New Borrowing	15,732,000	7,275,689	8,000,000	19,500,000	11,500,000
Carryover Borrowing	0	0 (a)	20,234,180 (a)	28,234,180 (a)	8,000,000 (a)
Anticipated Special Assessments					
New Authorizations	2,295,000	9,340,064	3,827,923	8,556,910	4,728,987
Carryover Special Assessments	0	0 (a)	12,178,725 (a)	12,165,654 (a)	-13,071 (a)
Capital Improvement Revenues					
Cash Revenues	8,080,418	7,995,326	7,718,200	13,724,000	6,005,800
Carryover Capital Revenues		0 (a)	0 (a)	0 (a)	0 (a)
Property Tax Levy	<u>11,700,172</u>	<u>3,591,980</u>	<u>2,637,480</u>	<u>2,285,837</u>	<u>-351,643</u>
TOTAL FINANCING FOR CAPITAL IMPROVEMENTS - Other Than					
Parking, Water Department and Sewer Maintenance	\$102,407,166 *	\$94,151,790 *	\$85,710,056	\$105,248,389	\$19,538,333
(a) Reiteration of prior year's authority, does not affect budget totals.					
* Does not include School Board expenditures.					
D. CITY DEBT (INCLUDING SCHOOL PURPOSES)					
1. BUDGET FOR CITY DEBT					
Bonded Debt (Principal)	\$60,761,000	\$63,072,708	\$67,962,312	\$73,643,607	\$5,681,295
Bonded Debt (Interest)	<u>32,419,121</u>	<u>35,294,418</u>	<u>41,532,160</u>	<u>43,375,229</u>	<u>1,843,069</u>
Subtotal	\$93,180,121	\$98,367,126	\$109,494,472	\$117,018,836	\$7,524,364
LESS: Prepayment					
Prepayment Deduction (PDAF)					
Special Assessment	<u>-3,069,462</u>	<u>-3,195,919</u>	<u>-3,251,042</u>	<u>-3,531,415</u>	<u>-280,373</u>
TOTAL BUDGET FOR CITY DEBT (a)	\$90,110,659 **	\$95,171,207 **	\$106,243,430	\$113,487,421	\$7,243,991
(a) Included in City Debt amounts above are the following amounts for school purposes, not controlled by Common Council:					
		Milwaukee School Board			
		1998	\$11,342,500		
		1999	\$12,057,347		
		2000	\$13,527,167 (est.)		
		2001	\$14,720,585 (est.)		
2. SOURCE OF FUNDS FOR CITY DEBT					
Revenues	\$21,936,510	\$30,840,339	\$30,909,053	\$30,676,644	\$-232,409
TID Increments from Prior Year	8,586,489	6,937,403	14,010,105	10,321,613	-3,688,492
Special Assessments	0	0	0	0	0
Delinquent Tax Revenues	11,467,117	11,088,318	12,350,890	12,998,908	648,018
Property Tax Levy	<u>51,346,908</u>	<u>50,443,483</u>	<u>48,973,382</u>	<u>59,490,256</u>	<u>10,516,874</u>
TOTAL FINANCING FOR CITY DEBT	\$93,337,024	\$99,309,543	\$106,243,430	\$113,487,421	\$7,243,991
E. DELINQUENT TAX					
1. BUDGET FOR DELINQUENT TAX					
Delinquent Tax Fund	\$1,400,000	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000
2. SOURCE OF FUNDS FOR DELINQUENT TAX					
Property Tax Levy	\$1,400,000	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000
F. COMMON COUNCIL CONTINGENT FUND					
1. BUDGET FOR COMMON COUNCIL CONTINGENT FUND					
Common Council Contingent Fund	(4,598,524)	(5,286,242)	\$5,000,000	\$5,000,000	\$0

	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
2. SOURCE OF FUNDS FOR COMMON COUNCIL CONTINGENT FUND					
Property Tax Levy	5,400,000	5,400,000	\$5,000,000	\$5,000,000	\$0

1998 and 1999 experience shown for informational purposes only.
Expenditure experience represents transfers and expenditures authorized by resolution.

SUBTOTAL BUDGET AUTHORIZATIONS - COMMON COUNCIL CONTROLLED PURPOSES (Except Water and Special Revenue Accounts)					
	\$751,905,259	\$670,339,358	\$698,433,296	\$755,812,183	\$57,378,887
Non-Tax Levy	607,627,280	532,906,476	548,366,527	575,232,770	26,866,243
Tax Levy	<u>147,098,184</u>	<u>148,994,368</u>	<u>150,066,769</u>	<u>180,579,413</u>	<u>30,512,644</u>
SUBTOTAL FINANCING FOR (ESTIMATED REVENUES) - COMMON COUNCIL CONTROLLED BUDGETS (Except Water and Special Revenue Accounts)					
	\$754,725,464	\$681,900,844	\$698,433,296	\$755,812,183	\$57,378,887

Special Revenue Accounts Sections G through M

G. PARKING

1. BUDGET FOR PARKING PROGRAM

Operating and Maintenance Expense	\$12,458,873	\$12,221,036	\$15,401,779	\$25,096,117	\$9,694,338
Transfer to General Fund	0	0	0	15,041,085	\$15,041,085
Capital Improvement Program	7,093,810	7,957,877	0	1,750,000	1,750,000
Addition to Parking Reserves - Capital	0	1,277,564	0	0	0
Capital Improvements to be Financed from Available Cash Reserves	<u>0</u>	<u>0</u>	<u>10,000,000</u>	<u>5,000,000</u>	<u>-5,000,000</u>
TOTAL BUDGET FOR PARKING	\$19,552,683 **	\$21,456,477 **	\$25,401,779	\$46,887,202	\$21,485,423

2. SOURCE OF FUNDS FOR PARKING PROGRAM

Parking Permits	\$1,322,785	\$1,368,754	\$1,352,300	\$1,362,300	\$10,000
Meters	3,311,454	3,142,270	3,513,500	3,465,000	-48,500
Rental and Lease of Facilities	5,364,229	5,948,530	5,828,288	6,176,823	348,535
Towing of Vehicles	2,454,451	1,720,747	2,600,000	1,671,172	-928,828
Miscellaneous	<u>5,954</u>	<u>1,318,299</u>	<u>0</u>	<u>1,325,256</u>	<u>1,325,256</u>
Financing of Parking Operation - Subtotal	\$12,458,873	\$13,498,600	\$13,294,088	\$14,000,551	\$706,463
Other Funding Sources:					
Withdrawal from Reserves	329,810	0	0	4,037,361	4,037,361
Citation Processing Services	0	0	0	358,200	358,200
Citation Revenue	0	0	0	21,741,090	21,741,090
Parking Enforcement Offset	0	0	2,107,691	0	-2,107,691
Capital Improvements to be Financed From Available					
Cash Reserves	0	1,324,717	10,000,000	5,000,000	-5,000,000
New Borrowing	6,764,000	6,633,160	0	1,750,000	1,750,000
Carryover Borrowing	0	0	2,043,000 (a)	7,912,160 (a)	5,869,160 (a)
Experience Adjustment	0	0	0	0	0
Other Funding Sources - Subtotal	7,093,810	7,957,877	12,107,691	32,886,651	20,778,960
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FINANCING FOR PARKING	\$19,552,683	\$21,456,477	\$25,401,779	\$46,887,202	\$21,485,423

(a) Reiteration of prior year's authority does not affect budget totals.

H. GRANT AND AID PROJECTS (EXCEPT CAPITAL)

1. BUDGET FOR GRANT AND AID PROJECTS

Grantor Share (Non-City)	\$55,630,872	\$59,263,288	\$72,385,581	\$79,769,019	\$7,383,438
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	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
Out of Pocket City Share (Current Tax Levy)	325	0	0	5,000	5,000
In-Kind City Share	<u>11,543,413</u>	<u>0</u>	<u>15,552,604</u>	<u>0</u>	<u>-15,552,604</u>
TOTAL FOR GRANT AND AID PROJECTS (EXCEPT CAPITAL)	\$67,174,610	\$59,263,288	\$87,938,185	\$79,774,019	\$-8,164,166
Less In-Kind City Share	\$0	\$0	\$-15,552,604	\$0	\$15,552,604
TOTAL FOR GRANT AND AID	\$67,174,610 **	\$59,263,288 **	\$72,385,581	\$79,774,019	\$7,388,438
2. SOURCE OF FUNDS FOR GRANT AND AID PROJECTS					
Grantor Share (Non-City)	\$55,630,872	\$59,263,288	\$72,385,581	\$79,769,019	\$7,383,438
Out of Pocket City Share	325	0	0	5,000	5,000
In-Kind City Share	11,543,413	0	0	0	0
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FINANCING FOR GRANT AND AID PROJECTS (EXCEPT CAPITAL)	\$67,174,610	\$59,263,288	\$72,385,581	\$79,774,019	\$7,388,438
I. INTERNAL SERVICE AGENCIES					
1. BUDGETS FOR INTERNAL SERVICE AGENCIES					
DOA - Central Services Division	\$6,231,970	\$6,076,352	\$0	\$0	\$0
DER - Training Section	<u>295,176</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL BUDGETS FOR INTERNAL SERVICE AGENCIES	\$6,527,146 **	\$6,076,352 **	\$0	\$0	\$0
2. SOURCE OF FUNDS FOR INTERNAL SERVICE AGENCIES					
CHARGES FOR SERVICES OF:					
DOA - Central Services Division	\$6,231,970	\$6,076,352	\$0	\$0	\$0
DER - Training Section	295,176	0	0	0	0
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FINANCING FOR INTERNAL SERVICE AGENCIES	\$6,527,146	\$6,076,352	\$0	\$0	\$0
J. WATER WORKS					
1. BUDGET FOR WATER WORKS-DEPARTMENT OF PUBLIC WORKS					
Operating Budget	\$57,980,268	\$66,597,069	\$57,634,526	\$58,985,439	\$1,350,913
Capital Improvements Program	43,905,633	14,387,334	12,120,000	14,275,000	2,155,000
Debt Service (Principal and Interest)	0	0	0	0	0
Deposits to Special Accounts (Retained Earnings)	<u>15,650,000</u>	<u>8,625,000</u>	<u>10,245,000</u>	<u>11,575,000</u>	<u>1,330,000</u>
TOTAL EXPENDITURES AND DEPOSITS	\$117,535,901 **	\$89,609,403 **	\$79,999,526	\$84,835,439	\$4,835,913
2. SOURCE OF FUNDS FOR WATER WORKS					
Operating Revenue	\$54,603,984	\$58,716,043	\$62,445,000	\$61,239,963	\$-1,205,037
Non-Operating Revenue	2,995,272	1,456,296	5,290,246	5,217,784	-72,462
Retained Earnings	37,019,492	16,750,839	12,264,280	18,377,692	6,113,412
Proceeds from Borrowing	22,917,153	12,686,225	0	0	0
Property Tax Levy	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL SOURCE OF FUNDS FOR WATER WORKS WATER WORKS	\$117,535,901	\$89,609,403	\$79,999,526	\$84,835,439	\$4,835,913
K. SEWER MAINTENANCE					
1. BUDGET FOR SEWER MAINTENANCE					
Operating Budget	\$8,219,927	\$8,895,942	\$15,915,620	\$18,085,434	\$2,169,814
Capital Budget	<u>0</u>	<u>0</u>	<u>14,560,000</u>	<u>15,300,000</u>	<u>740,000</u>
TOTAL BUDGET FOR SEWER MAINTENANCE	\$8,219,927 **	\$8,895,942 **	\$30,475,620	\$33,385,434	\$2,909,814

	1998 ACTUAL** EXPENDITURES	1999 ACTUAL** EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
2. SOURCE OF FUNDS FOR SEWER MAINTENANCE					
Sewer User Fee	\$8,502,769	\$8,910,829	\$15,539,870	\$18,020,434	\$2,480,564
Equipment Contribution	0	18,503	61,250	0	-61,250
Charges for Services	87,601	15,308	146,000	100,000	-46,000
Plat and Plan Review	0	26,402	500	0	-500
Miscellaneous Revenue	0	26,197	168,000	730,000	562,000
Proceeds from Borrowing	<u>0</u>	<u>0</u>	<u>14,560,000</u>	<u>14,535,000</u>	<u>-25,000</u>
TOTAL SOURCE OF FUNDS FOR SEWER MAINTENANCE	\$8,590,370	\$8,997,239	\$30,475,620	\$33,385,434	\$2,909,814
L. SOLID WASTE FUND					
1. SOLID WASTE FUND					
Operating Budget	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$35,541,537</u>	<u>\$35,541,537</u>
TOTAL BUDGET FOR SOLID WASTE FUND	\$0	\$0	\$0	\$35,541,537	\$35,541,537
2. SOURCE OF FUNDS FOR SOLID WASTE FUND					
City Contribution	\$0	\$0	\$0	\$27,085,837	\$27,085,837
Other Miscellaneous Revenue	0	0	0	503,800	503,800
Solid Waste Fee	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,951,900</u>	<u>7,951,900</u>
TOTAL SOURCE OF FUNDS FOR SOLID WASTE FUND	\$0	\$0	\$0	\$35,541,537	\$35,541,537
M. DELINQUENT COUNTY TAXES					
1. DELINQUENT COUNTY TAXES					
Delinquent County Taxes and Tax Certificate Purchases	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,650,000</u>	<u>\$5,650,000</u>
TOTAL BUDGET FOR DELINQUENT COUNTY TAXES	\$0	\$0	\$0	\$5,650,000	\$5,650,000
2. SOURCE OF FUNDS FOR DELQ COUNTY TAXES					
Purchase of Milwaukee Co. Delinquent Taxes	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,650,000</u>	<u>\$5,650,000</u>
TOTAL SOURCE OF FUNDS FOR DELINQUENT COUNTY TAXES	\$0	\$0	\$0	\$5,650,000	\$5,650,000
SUBTOTAL BUDGET AUTHORIZATION FOR SPECIAL REVENUE ACCOUNTS	\$219,010,267	\$185,301,462	\$208,262,506	\$286,073,631	\$77,811,125
SUBTOTAL ESTIMATED REVENUES FOR SPECIAL REVENUE ACCOUNTS	\$219,380,710	\$185,402,759	\$208,262,506	\$286,073,631	\$77,811,125
TOTAL ALL BUDGETS UNDER CONTROL OF THE COMMON COUNCIL* (Includes Water and Special Revenue Accounts)	\$970,915,526	\$855,640,820	\$906,695,802	\$1,041,885,814	\$135,190,012
TOTAL FINANCING REVENUES OF BUDGETS UNDER CONTROL OF COMMON COUNCIL (Includes Water and Special Revenue Accounts)	\$974,106,174	\$867,303,603	\$906,695,802	\$1,041,885,814	\$135,190,012

** Expenditures include funding carried over from prior years.

SECTION II. SUMMARY OF BORROWING AUTHORIZATIONS (INCLUDING SCHOOL PURPOSES)

	1999	2000	2001
General Obligation Bonds or Short-Term Notes			
New Borrowing			
General City Purposes	\$70,788,227	\$63,526,453	\$62,931,642
Schools	<u>27,000,000</u>	<u>17,000,000</u>	<u>17,000,000</u>
Subtotal New Borrowing	\$97,788,227	\$80,526,453	\$79,931,642
Carryover Borrowing*	<u>(111,578,361)</u>	<u>(122,087,702)</u>	<u>(194,389,563)</u>
SUBTOTAL	\$97,788,227	\$80,526,453	\$79,931,642
Special Assessment Borrowing			
New Borrowing	\$4,214,988	\$3,827,923	\$8,556,910
Carryover Borrowing*	<u>(12,458,067)</u>	<u>(12,178,725)</u>	<u>(12,165,654)</u>
SUBTOTAL	\$4,214,988	\$3,827,923	\$8,556,910
Contingency Borrowing			
New Borrowing	\$55,000,000	\$45,000,000	\$75,000,000
Carryover Borrowing*	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
SUBTOTAL	\$55,000,000	\$45,000,000	\$75,000,000
Tax Incremental District Borrowing			
New Borrowing	\$10,800,000	\$8,000,000	\$19,500,000
Carryover Borrowing*	<u>(22,900,000)</u>	<u>(20,234,180)</u>	<u>(28,234,180)</u>
SUBTOTAL	\$10,800,000	\$8,000,000	\$19,500,000
Delinquent Taxes Borrowing			
New Borrowing	\$15,000,000	\$15,000,000	\$15,000,000
Carryover Borrowing*	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
SUBTOTAL	\$15,000,000	\$15,000,000	\$15,000,000
Revenue Anticipation Borrowing			
New Borrowing	\$215,000,000	\$240,000,000	\$250,000,000
Carryover Borrowing*	<u>(0)</u>	<u>(0)</u>	<u>(0)</u>
SUBTOTAL	\$215,000,000	\$240,000,000	\$250,000,000
Water Works Borrowing			
New Borrowing	\$14,300,000	\$0	\$14,275,000
Carryover Borrowing*	<u>(0)</u>	<u>(14,300,000)</u>	<u>(14,300,000)</u>
SUBTOTAL	\$14,300,000	\$0	\$14,275,000
Sewer Maintenance Fund Borrowing			
New Borrowing	\$0	\$14,560,000	\$15,300,000
Carryover Borrowing*	<u>(0)</u>	<u>(0)</u>	<u>(24,123,752)</u>
SUBTOTAL	\$0	\$14,560,000	\$15,300,000
Total - All Borrowing			
New Borrowing	\$412,103,215	\$406,914,376	\$477,563,552
Carryover Borrowing*	<u>(146,936,428)</u>	<u>(168,800,607)</u>	<u>(273,213,149)</u>
TOTAL	\$412,103,215	\$406,914,376	\$477,563,552

* Not included in budget totals, reiteration of prior years authority.

**2001 SALARY AND WAGE INFORMATION USED FOR BUDGET PURPOSES
(FOR INFORMATIONAL PURPOSES ONLY)**

The salary and rates shown in the following salary and wage schedule are based on the most current information available as of the date of the adoption of the 2001 budget. (Please refer to note at the end of schedule for procedure and assumption utilized in determining salary and wage appropriations in the 2001 budget.)

**CURRENT RATES
(MINIMUM - MAXIMUM)**

Pay Range	Annual Rate		Pay Range	Annual Rate		Pay Range	Annual Rate		Pay Range	Annual Rate		Pay Range	Annual Rate	
	Minimum	Maximum		Minimum	Maximum		Minimum	Maximum		Minimum	Maximum		Minimum	Maximum
001	30,229	- 42,317	252	32,251	- 36,016	425 *	26,850	- 29,704	557 *	39,020	- 44,416	724	25,344	- 32,396
002	32,212	- 45,090	254	31,432	- 36,411	430	27,475	- 30,205	558	36,954	- 45,395	726	27,137	- 33,415
003	34,212	- 48,056	255	32,629	- 36,411	435 *	28,038	- 30,893	559	42,523	- 49,033	732	29,888	- 36,548
004	36,593	- 51,230	258	32,897	- 37,303	437	27,291	- 31,374	560	40,797	- 46,580	733	30,380	- 37,483
005	39,008	- 54,614	260	33,165	- 37,312	440	28,678	- 31,616	565	41,990	- 48,290	734	30,380	- 37,823
006	41,572	- 58,206	262	33,567	- 37,791	441	28,955	- 31,892	572	38,163	- 44,406	740	29,260	- 32,068
007	44,315	- 62,037	264	33,929	- 37,892	445 *	29,259	- 32,378	576	43,283	- 51,218	741	29,924	- 32,914
008	47,221	- 66,106	265	34,177	- 38,525	450	28,566	- 33,046	585	44,578	- 55,151	742	30,208	- 33,824
009	50,351	- 70,489	268	34,386	- 39,173	455 *	30,601	- 34,116	587	45,146	- 53,844	746	34,602	- 38,055
010	53,660	- 75,125	270	35,057	- 39,845	460 *	31,324	- 35,106	588	37,770	- 58,702	785	43,300	- 48,735
011	57,208	- 80,088	272	24,352	- 26,752	475	32,182	- 38,629	589	46,519	- 52,358	786		- 52,645
012	60,964	- 85,349	274	27,781	- 29,648	478	29,868	- 39,857	590	47,999	- 59,400	788	47,315	- 53,254
013	64,973	- 90,969	275	35,057	- 40,601	480 *	17,866	- 24,685	591	49,166	- 59,740	796	44,275	- 52,518
014	69,266	- 96,976	276	30,930	- 32,797	490	24,904	- 30,154	592	31,730	- 38,074	801	35,387	- 47,712
015	73,827	- 103,356	278	34,917	- 36,352				593	35,170	- 42,574	804	46,784	- 49,819
016	78,687	- 110,167	280		- 38,536	500 *	28,038	- 30,893	594	36,425	- 44,196	805	47,629	- 50,663
017	83,873	- 117,426	282	37,401	- 42,908	503	26,349	- 31,469	595	37,782	- 45,882	808	49,264	- 53,237
018	89,404	- 125,163	285	37,603	- 43,197	504	28,038	- 32,378	596	39,225	- 47,635	810	51,487	- 55,058
019	95,293	- 133,405	290	38,985	- 49,385	505 *	29,259	- 32,378	598	43,904	- 53,327	812	53,272	- 56,845
020	101,567	- 142,201				508 *	28,373	- 32,686	599	47,999	- 61,776	813	51,211	- 62,178
			300	23,035	- 27,205	510	29,912	- 33,192	600	25,602	- 30,914	831	43,859	- 53,237
030		1,800	305	23,871	- 27,768	515 *	28,714	- 35,106	602	29,784	- 36,482	834	47,391	- 57,534
036		3,000	309	23,613	- 28,670	516	30,601	- 34,757	604	34,764	- 46,550	835	49,264	- 59,809
037		4,200	310 *	24,808	- 28,970	520	31,324	- 35,106	606	40,908	- 52,629	836	51,211	- 62,178
040		6,350	314	25,153	- 29,551	522	31,401	- 35,573	607	51,297	- 61,157	839	57,534	- 69,869
041		6,600	324	26,278	- 30,205	525	32,087	- 35,137	619	33,487	- 40,013	842	64,641	- 78,520
047		42,247	325	27,475	- 30,205	526	31,401	- 37,558	620	34,948	- 47,408	850	28,276	- 51,739
050		14,960	329 *	26,842	- 30,893	528	31,677	- 36,924	621	39,721	- 47,408	851	27,630	- 47,712
			330	28,038	- 30,893	529	20,786	- 22,198	622	41,454	- 53,844	853	35,652	- 50,526
148	42,812	- 101,337	335	28,678	- 31,616	530 *	32,900	- 37,246	624	39,721	- 47,408	856	45,590	- 53,237
			338	28,970	- 31,942	532 *	31,336	- 37,316	626	45,146	- 53,844	857	51,211	- 62,178
200	22,519	- 27,886	340	29,259	- 32,378	534	32,627	- 38,455	627	49,170	- 58,614	858	29,876	- 39,868
205 *	24,292	- 29,651	344	28,714	- 33,192	535 *	33,824	- 38,455	628	51,297	- 61,157	863	57,554	- 69,869
210	25,834	- 30,231	345	29,912	- 33,192	536	32,627	- 35,973	630	58,322	- 69,473	865	64,641	- 78,520
215	28,214	- 30,941	347	31,047	- 33,516	540	34,814	- 39,760	635	29,423	- 33,741	867	88,251	- 107,245
220	28,495	- 31,285	350	30,601	- 34,116	541	34,814	- 41,284	640	31,401	- 35,573			
225	28,776	- 31,630	355	31,324	- 35,106	542	36,397	- 41,294	642	36,806	- 44,632			
230	29,005	- 31,942	360	32,087	- 36,137	545 *	35,846	- 41,090	644	42,493	- 51,634			
235	29,661	- 32,755				546	35,846	- 43,824	665	31,337	- 36,341			
238	29,997	- 33,135	400 *	20,339	- 25,453	547	36,806	- 44,632	666	32,496	- 43,976			
240	30,334	- 33,516	404 *	21,468	- 26,641	549	40,798	- 47,915	694	35,334	- 40,103			
245	31,060	- 34,339	405 *	22,666	- 26,641	550	36,954	- 42,282	696	38,807	- 44,546			
247	32,463	- 35,993	406	21,863	- 27,133	552	36,954	- 42,370	698	40,135	- 46,095			
248	31,431	- 34,961	410 *	23,612	- 27,783	553	36,954	- 43,908	704	30,923	- 33,923			
249	31,496	- 35,209	415 *	24,808	- 28,970	555	38,163	- 43,575	710	33,166	- 35,407			
250	31,803	- 35,584	424	24,808	- 29,704	556	38,163	- 46,534	722	25,727	- 30,873			

These rates apply to positions represented by District Council 48, AFSCME, AFL-CIO. Rates for positions that are not represented by a certified bargaining unit and those represented by Local 61, Laborers' International Union, in the DPW - Solid Waste Fund, and ALEASP differ somewhat, as specified in the Salary Ordinance.

CURRENT RATES (Continued)

Pay Range	Hourly Rate	Pay Range	Hourly Rate	Pay Range	Hourly Rate	Pay Range	Hourly Rate
900	5.29	931	13.21 - 14.15	955 **	17.37	984	21.75
902	6.00 - 7.00	934 **	20.52	956	19.80	985	23.37
906	6.15 - 7.50	936 **	21.97	957	20.32	986	21.83
910	8.00 - 10.50	939	11.36 - 11.64	958	21.25	987	21.93
918	7.11 - 8.30	940	14.63 - 16.06	960	20.55	988	24.06
923	8.18 - 9.21	943	10.00	961	21.07	989	25.23
924	8.72 - 10.72	944	12.00	962	20.86	990	23.22
925 **	8.59	945	13.00	974	14.42 - 17.96	991	24.14
926	9.25 - 10.50	947 ***	64.73	975	11.76 - 21.17	992	25.08
927	10.18 - 12.10	948 ***	76.50	978	23.52	993	22.98
928	10.28 - 12.78	950	37.22	981	21.06		
929	9.53 - 10.05	951 **	15.81 - 17.00	982	20.58		
930	11.04 - 13.90	954	17.66	983	21.43		

** Official Rate - Biweekly

*** Official Rate - Daily

2001 Budget - For 2001 Budget Purposes

The individual salary and wage rate lines were based on 1998 rates of pay for most salary groups with the exception of MPA members of the Police Department, and Local 215 members of the Fire Department. In addition, \$18.6 million was provided within the Wages Supplement Fund to supplement departmental salary and wage accounts during 2000 on an "as needed" basis and to cover shortages caused by wage rate changes.

SCHOOL BOARD BUDGET
(NOT UNDER THE CONTROL OF THE COMMON COUNCIL)
(FOR INFORMATION PURPOSES ONLY)

A. BUDGET FOR SCHOOL BOARD*

	1997-1998 Budget	1998-1999 Budget	1999-2000 Budget	2000-2001 Budget
Appropriations and Expenditures	<u>\$756,183,206</u>	<u>\$814,241,252</u>	<u>\$831,112,595</u>	<u>\$850,293,630</u>
TOTAL APPROPRIATIONS AND EXPENDITURES	\$756,183,206	\$814,241,252	\$831,112,595	\$850,293,630

B. SOURCE OF FUNDS FOR SCHOOL BOARD*

Non-Property Tax Revenue and Surpluses	\$596,620,930	\$640,748,300	\$670,551,588	\$680,402,698
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TAX LEVIES

Property Tax Levy	<u>\$159,562,276</u>	<u>\$173,492,952</u>	<u>\$160,561,007</u>	<u>\$169,890,932</u>
TOTAL FINANCING OF SCHOOL BOARD BUDGET	\$756,183,206	\$814,241,252	\$831,112,595	\$850,293,630

*School Board budget is based on fiscal year ending June 30.

Electoral

ELECTRO

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I. CITY BUDGET UNDER THE CONTROL OF THE COMMON COUNCIL

PROPERTY TAX SUPPLEMENTED FUNDS

SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
A. General City Purposes	\$440,837,948	\$450,924,070	\$467,503,846	\$16,579,776
B. Employee Retirement	38,778,414	49,155,740	62,972,527	13,816,787
C. Capital Improvements	94,151,789	85,710,056	105,248,389	19,538,333
D. City Debt	95,171,207	106,243,430	113,487,421	7,243,991
E. Delinquent Tax Fund	1,400,000	1,400,000	1,600,000	200,000
F. Contingent Fund	<u>(5,286,242)*</u>	<u>5,000,000</u>	<u>5,000,000</u>	<u>0</u>
TOTAL	\$670,339,358	\$698,433,296	\$755,812,183	\$57,378,887

* Shown for informational purposes only. Actual expenditures reflected in departmental budgets.

DEPARTMENT OF ADMINISTRATION

EXECUTIVE SUMMARY

MISSION:	To make Milwaukee one of the nation's most attractive cities in which to live, work, and do business.
STRATEGIC ISSUES:	<p>Influence forces external to city government to strengthen Milwaukee's position as a thriving economic, social, and cultural center.</p> <p>Use the department's resources to assure Milwaukee's government provides cost-effective services that add value to the city.</p> <p>Build alliances with other U.S. cities, rural areas, and regional decision-makers to persuade state and federal policymakers to create better solutions regarding low-income adults, transportation, housing, and the environment.</p>
INITIATIVES FOR 2001:	<p>Implement an E-government Information Technology Initiative to improve service delivery to city residents and customers.</p> <p>Modify the city's Disadvantaged Business Enterprise (DBE) Program by piggybacking on the program operated by the Wisconsin Department of Transportation.</p> <p>Take advantage of technology to improve the city's purchasing processes.</p> <p>Evaluate and propose alternatives to diversify the city's revenue base.</p> <p>Analyze and revise the city's Strategic Plan.</p>

BACKGROUND

In 1989, the City of Milwaukee implemented a cabinet form of government. As part of that restructuring, the city also consolidated various administrative and policymaking activities formerly performed by the Department of Budget and Management Analysis, the Department of Intergovernmental Fiscal Liaison, the Central Board of Purchases, Central Electronic Data Services, and the Community Development Agency into a newly-created Department of Administration (DOA).

DOA plays a critical "behind the scenes" role in providing government services. The Business Operations Division works with departments throughout the city to ensure that they obtain the goods and services needed to meet their objectives. The Information and Technology Management Division provides computer services to city agencies and coordinates citywide information technology policy. The

Budget and Management Division develops the Mayor's proposed budget and provides analysis and recommendations on fiscal and management issues that affect the city. The Intergovernmental Relations Division represents the city's interests with both the state and federal governments. Community Development Block Grant works to distribute equitably grant funds to city agencies and neighborhood organizations. The Equal Opportunities and Enterprise Program helps represent the interests of disadvantaged local businesses in their efforts to obtain city and other government contracts. The Administration Division assists in development of strategic policy.

In 2000, the department reorganized to enhance further its ability to provide several of these critical services. DOA created a new Information and Technology Management Division to improve management and coordination of the city's information and

technology systems. The reorganization also merged printing and records management activities with

purchasing functions in the Business Operations Division.

OBJECTIVE 1

Influence policies and leverage resources beyond city government so as to improve the quality-of-life for city residents by increasing the number of jobs available and reducing the ratio of persons looking for work compared to job openings to 1.15:1 or less.

OUTCOME HISTORY

The 2001 budget provides \$744,824 in tax levy funding to support the department's efforts to provide jobs and improve the quality-of-life of Milwaukee's residents. Federal Community Block Grants will provide an additional \$907,400 toward this goal. The department will measure its success in achieving this objective by improving or maintaining the ratio of persons looking for or expected to work to the number of job openings in the Milwaukee metropolitan area.

DOA contributes to the success of this measure in a variety of ways. The Community Block Grant Office administers and monitors services and activities that enrich and improve the quality-of-life in Milwaukee. The Equal Opportunities Enterprise Program seeks to increase the economic role of disadvantaged businesses in the city's economy. The Budget and Management Division works to reduce the cost of city government, keeping increases in city spending below the rate of inflation (see Figure 1) and leaving more money (with which businesses can create jobs) in the private economy. The Intergovernmental Relations Division focuses on reducing the tax burden on residents and businesses by achieving more equitable state revenue sharing and school aid formulas.

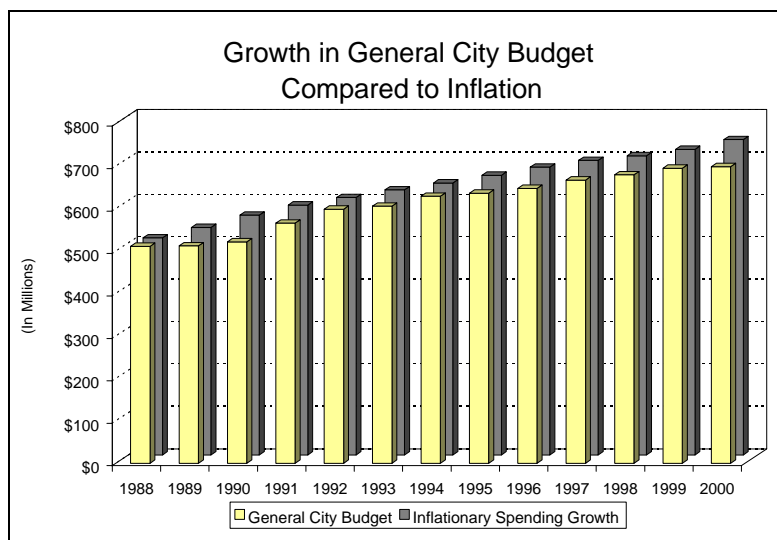
ACTIVITIES

- Administration of Community Development Block Grants
- Equal Opportunities Enterprise Programs
- Purchasing activities

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Ratio of persons looking for work to the number of job openings in the Metro-Milwaukee area.	0.92:1	1.25:1	1.15:1
Funding by Source:			
Operating Funds	\$1,055,284	\$687,325	\$744,824
Grant and Reimbursable	1,124,154	1,026,434	907,400
Total:	\$2,179,438	\$1,713,759	\$1,652,224

Figure 1



- Intergovernmental relations and lobbying
- Budget development

PROGRAM CHANGES

Disadvantaged Business Enterprise Program: After many years of debate over costs and administration, both the Milwaukee Public Schools and Milwaukee County have withdrawn their support from the cur-

rent program. As a result, effective December 31, 2000, the Joint Certification Program (JCP) will end. In the past, the county performed certification and program coordination for member agencies; in return, member agencies paid the county for their proportionate cost. Effective January 1, 2001, the city will start its own certification program for Disadvantaged Business Enterprises (DBEs). The 2001 budget reflects funding of \$58,000 for the city's own Disadvantaged Business Enterprises Program. Revenues generated from the recertification and certification of member agencies will offset this expenditure. All DBEs seeking recertification or those seeking to be certified for the first time will be charged a fee equivalent to 0.2% of their gross sales (not to exceed \$2,400) to pay for the city's costs of both program coordination and certification.

Community Development Block Grant Review: Beginning with the newly seated 2000 Common Council, the Community Development Block Grant Program has been assigned to a standing committee

of the Common Council. As in the past, the administration will continue to develop policies and recommendations for consideration. However, as part of the new process, these policies will be reviewed formally by a formal body of the Common Council.

The goal of the CDBG program will continue to focus on:

- Reducing crime;
- Reducing unemployment;
- Increasing property values; and,
- Improving quality-of-life in Milwaukee.

Allocations awarded in 2001 will continue to emphasize the targeting of CDBG funds for housing, economic development and public services in small geographic areas in order to make a clear and measurable impact in CDBG neighborhoods. The model for this initiative is the stunning success along Martin Luther King Drive, which has witnessed a resurgence of commercial and residential activity in recent years.

OBJECTIVE 2

Strengthen Milwaukee's competitive position within the region through a reduction in the share of Milwaukee's economy used for city taxes by adopting a tax rate of no more than 120% of the metropolitan area average by the year 2000.

OUTCOME HISTORY

The 2001 budget provides \$1,317,851 in tax levy funding to support the city's efforts to strengthen Milwaukee's competitive position in the marketplace. Milwaukee's 1998 tax rate (adopted in 1997) totaled 115.9% of the average property tax rate of other municipalities in the metropolitan area, exceeding for the first time the city's tax rate goal of 120% of the metropolitan area average. As shown in Figure 2, in the 2000 budget the city again surpassed its goal, adopting a tax rate equal to 116.6% of the metro area average.

The 2001 tax rate is estimated to be 123.6% of the surrounding municipalities. Shrinking state aids, and arbitration-driven wage settlements that consistently exceed the rate of inflation present major obstacles to the city's efforts to reduce costs, preserve service

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
City tax rate as a percent of metro area average.	113.5%	116.6%	123.6%
Funding by Source:			
Operating Funds	\$1,324,945	\$1,433,368	\$1,317,851
Total:	\$1,324,945	\$1,433,368	\$1,317,851

levels, and maintain the dramatic improvement in its tax rate compared to the metropolitan average.

To meet this challenge, the department will focus its activities in 2001 on numerous strategies including: 1) lowering the cost of doing business in the city by reducing the role and cost of local government; 2) allocating capital budget resources to needs that increase Milwaukee's overall attractiveness for private sector investment; 3) conducting efficient, competitive purchasing processes; and 4) maintaining and

improving the efficacy of the State Shared Revenue Program as a means of bridging the fiscal disparities among Wisconsin municipalities.

ACTIVITIES

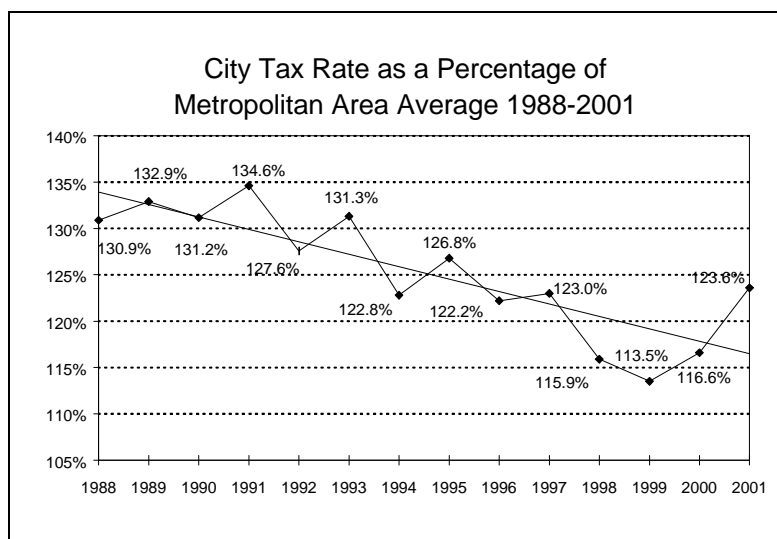
- Administration
- Budget analysis
- Capital financing and debt management
- Intergovernmental relations
- Purchasing

PROGRAM CHANGES

Update City's Strategic Plan: Using data generated by the recently completed census, the city will analyze and revise the city's Strategic Plan. As part of the 2001 update, significant additional attention will be placed upon incorporating outcome measures for broader city strategies. In addition, the city's strategic planning team will evaluate appropriate outcome measures for all of the city's programs.

Streamline Vendor Application Process: In response to concerns raised by vendors, the Business

Figure 2



Operations Division has redesigned the city's vendor application process. As part of this redesign, the vendor application process will be reduced from eight burdensome steps to four simpler steps by providing on-line application. This improvement will reduce significantly the time spent by staff answering phone calls, printing, assembling and mailing applications.

OBJECTIVE 3

Provide services and tools to other city departments that lead to improved city management and maintenance of the city's fiscal health as measured by maintaining or improving the city's bond rating.

OUTCOME HISTORY

In August of 2000, the city received a downgrade from Moody's Investors Services, one of three bond rating agencies used by the city to rate its bonds. The remaining two rating agencies retained the city's AA+ rating. Moody's action was based largely upon what they perceived to be a weakened financial position due to declining state aid.

Despite the analysis of Moody's, the City of Milwaukee has been working to diversify its revenue base and strengthen its financial position since the mid-1990's. Some significant changes have included

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Maintain the city's bond rating.	Aa1/AA+	Aa1/AA+	Aa2/AA+
Funding by Source:			
Operating Funds	\$848,455	\$1,646,342	\$865,696
Total:	\$848,455	\$1,646,342	\$865,696

identifying and financing appropriate city services through user fees, rather than the tax-levy, such as the city did with sewer maintenance expenses. These efforts will continue in 2001.

The 2001 budget provides approximately \$866,000 to support this objective. The Budget and Management

Division will continue to act as a resource for other departments to assist in strategic planning, developing performance measures, and evaluating the success and effectiveness of specific programs.

The Business Operations Division (consisting of the former Purchasing Division and the Milwaukee Printing and Records Section of the Central Services Division) will help city departments purchase critical goods and services by seeking the best combination of price and value while ensuring that competitive bidding requirements are met. Business Operations will also provide a cost-effective solution for departmental printing and records storage needs.

ACTIVITIES

- Information resource policy analysis
- Intergovernmental lobbying
- Procurement of goods and services
- Printing and records storage

PROGRAM CHANGES

Evaluate Methods to Diversify the City's Revenue

Base: As the State of Wisconsin's financial partnership with the city diminishes, the city needs to ex-

plore alternative revenue options. Rather than becoming entirely dependent upon local property taxes, the city needs to develop a broader mix of resources to support city government. As part of this review, the city will evaluate which city services should be paid with property taxes, and which city services are more appropriately financed through other strategies.

On-line Form Processing: In 2001, the Business Operations Division will continue its endeavor to streamline the bid process by allowing vendors to fill out and submit more forms on-line. The same concept will also be applied to forms used by the section's internal customers, the user departments. In addition, the posting and downloading of formal bids on-line will significantly reduce staff time and consumable resources such as paper and postage associated with printing, assembling, and mailing cumbersome bid packages. Further, website posting will also help the city reach a broader base of vendors, thereby increasing competitive bidding opportunities and lowering the cost to the city. These efforts, and others, have enabled the division to eliminate one position of Purchasing Assistant.

OBJECTIVE 4

Manage information and information systems more effectively so as to maximize their value to city residents and city departments.

OUTCOME HISTORY

In an age when information has become increasingly central to our daily lives, the effective management and distribution of that information - and the systems that maintain it - grows increasingly in importance. At a time when school children can instantaneously learn about an earthquake half a world away, sports fans can follow their team's exploits via a live Internet feed, and investors can check in real-time the value of their portfolios, the city must ensure that both citizens and policymakers enjoy easy and effective access to critical information.

Milwaukee's Information and Technology Management Division (ITMD) fills two vital infor-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Number of "hits" on city web pages.	8,000,000	5,000,000	12,000,000
Number of persons accessing the city's internet site.	40,000	30,000	50,000
Percentage of customers satisfied with services provided.	85.0%	85.0%	85.0%
Funding by Source:			
Operating Funds	\$0	\$5,463,992	\$5,691,036
Total:	\$0	\$5,463,992	\$5,691,036

mation roles. ITMD collects, stores, maintains, and provides valuable city information. It also guides

development and coordination of information systems policy and makes certain that information is used to best advantage in the decision-making process. ITMD prepares a citywide Strategic Information Plan, advises policymakers on information-related issues, coordinates departmental information systems, evaluates requests for technology improvements, and maintains existing infrastructure systems and applications, including "CityWeb", Milwaukee's presence on the World Wide Web and the financial, human resource, and purchasing components of the PeopleSoft enterprise system. ITMD also provides support services, offering desktop and network systems maintenance to departments on a reimbursable basis.

The 2001 budget provides approximately \$5.7 million to support this objective.

Program Result Measures: The Information and Technology Management Division has established as its objective making information more widely available to both city residents and departments. To track progress toward improving access to information, the division will measure the change in the number of city users with access to CityNet, as well as the number of departments with a presence on the city's Internet web server. The division will also monitor its success at implementing changes to information policy by monitoring the number of policy standards adopted.

ACTIVITIES

- Administration
- Budget analysis
- Capital financing and debt management
- Intergovernmental relations
- Purchasing

PROGRAM CHANGES

E-government Initiative: The 2001 budget includes funding of \$150,000 to support an E-government Initiative that will provide greatly improved access to information and services for citizens and businesses in the city. ITMD will begin by enhancing the city's web site to offer city residents easier and improved access to more useful information. During this initial redesign phase, ITMD will focus efforts on creating a more rewarding experience for users by developing a

"service-centric" website that focuses on customer needs rather than bureaucratic organization.

Phase two of the E-government Initiative will create for citizens an opportunity to change fundamentally the way they interact with their government. These efforts will begin with ITMD and city departments working cooperatively to identify city services valued by residents which can be efficiently and effectively delivered through the city's web site. E-government implementation will make available to users the ability to perform a variety of activities online, such as requesting special services, reporting code or other violations, applying for permits, and paying fines or fees. As a result of streamlining how people request services and the way the city processes these service requests, city residents will obtain services more easily, more quickly, and at a lower overall cost.

Make Information Easily and Efficiently Available to Citizens and Policymakers: ITMD will continue work on the citywide corporate database in 2001, a system that integrates a wide range of city data from a variety of sources, including property, code violation, permit, and other records, with geographic information. The initial product of the corporate database project, "Map Milwaukee", debuted in late 2000.

Continue to Improve Information Technology Coordination: In 2001, the Division of Information Technology and Management (ITMD) will continue its efforts to improve coordination of the city's information and technology infrastructure. While city departments ultimately bear responsibility for the services they deliver to the community, interdepartmental coordination and sharing of information and technology will allow them to provide these services at less overall cost.

Analyze Desktop Maintenance Activities: ITMD currently provides desktop computer maintenance services, on a pay-for-service basis, to many city departments. In 2001, ITMD will evaluate the current structure for providing this service and identify other servicing alternatives.

Maintain and Upgrade the City's Enterprise System: In 2001, ITMD will implement a significant upgrade to the Human Resources module of the city's PeopleSoft enterprise system. The upgrade will enhance functionality and increase reliability of the existing system.

CAPITAL PROJECTS

Trunked Radio Communications: The 2001 budget includes \$300,000 for DOA – Information and Technology Division to study the city's current radio infrastructure. The Police Department, the department currently responsible for all radio communications systems, requested the funding for the study. The study will examine the city's current radio infrastructure to determine if the current technology needs to be updated or replaced. More information on this project can be found in the summary for the Police Department.

FMIS Accounts Receivable: Included in the 2001 budget is \$473,150 for the city's Financial Management Information System (FMIS) accounts receivable billing project. The purpose of the project is to complete the implementation of the PeopleSoft accounts receivable software module, which was initiated in 1999. This project will assist the city by centralizing management information and reporting, improving internal controls and coordinating billings.

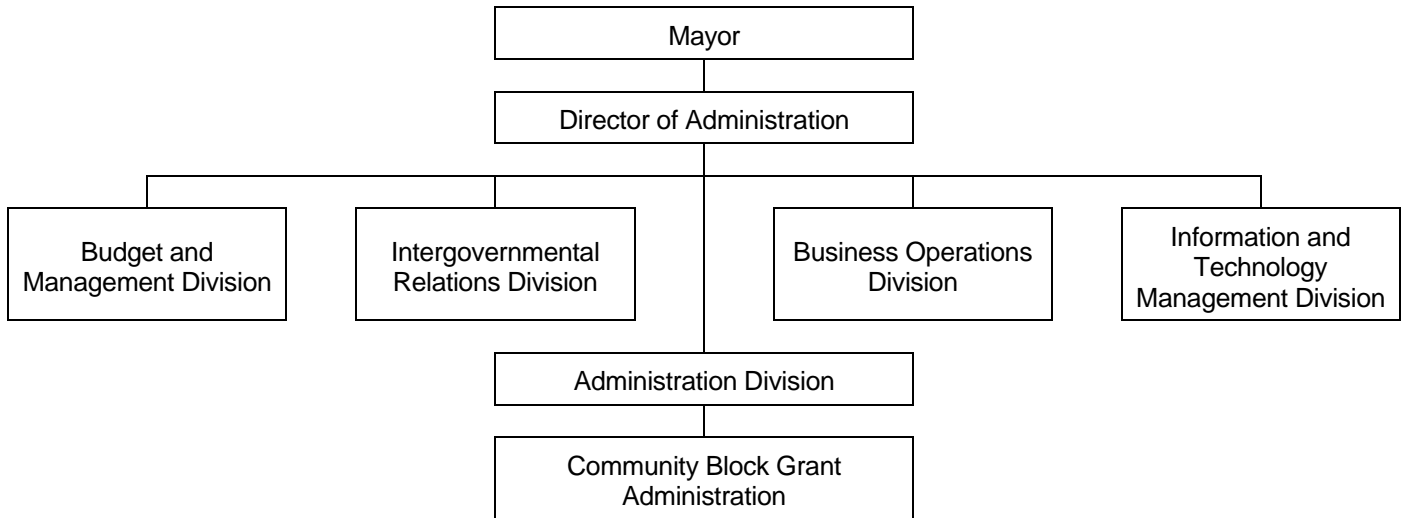
BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	40.49	87.30	86.00	-1.30
FTEs - Other	14.97	34.95	32.75	-2.20
Total Positions Authorized	72	138	135	-3
DLH - Operations and Maintenance	72,888	157,140	153,900	-3,240
DLH - Other Funds	26,942	62,910	61,900	-1,010
EXPENDITURES				
Salaries and Wages	\$2,083,670	\$4,292,224	\$4,410,371	\$118,147
Fringe Benefits	648,241	1,373,513	1,452,056	78,543
Operating Expenditures	380,118	2,157,800	1,480,565	-677,235
Equipment	21,470	126,250	109,800	-16,450
Special Funds	95,185	1,281,240	1,166,615	-114,625
TOTAL	\$3,228,684	\$9,231,027	\$8,619,407	\$-611,620
REVENUES				
Charges for Services	\$6,603,530	\$7,476,650	\$6,846,163	\$-630,487
Miscellaneous	211,503	563,000	244,000	-319,000
TOTAL	\$6,815,033	\$8,039,650	\$7,090,163	\$-949,487

CAPITAL PROJECTS - Provide \$737,150 for the following projects:

- | | |
|---------------------------------------|-----------|
| a. Trunked Radio Communications Study | \$300,000 |
| b. FMIS Accounts Receivable Project | \$437,150 |

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Budget and Management			
-1	-1.00	Budget and Mgmt. Analyst - Lead (Operating Funding \$-45,138)	Position elimination due to operating efficiencies.
0	-0.50	Office Assistant III (Operating Funding \$-6,931)	Reduction in administrative support for budget preparation.
Business Operations			
-1	-1.00	Purchasing Assistant II (Operating Funding \$-23,601)	Introduction of efficiencies in the city's purchasing processes.
Intergovernmental Relations			
-1	-1.00	Legislative Coordinator - Senior (Y) (Operating Funding \$-53,205)	Utilize resources of the City Economist to analyze state fiscal initiatives.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Information Systems Director Technology Management			
-1	-0.50	Information Systems Director (Operating Funding \$-58,002)	Eliminated as part of the 2000 reorganization.
1	1.00	Community Information Svcs Coord. (Operating Funding \$46,649)	Position created in 2000 to improve the city's information outreach to the public.
-1	-1.00	Systems Analyst/ Project Leader (A)	Pay grade 11 position intended to revert to pay grade 8 as of PP1, 2001.
1	1.00	Systems Analyst - Senior (Operating Funding \$-10,000)	
0	0.75	Systems Analyst/Project Leader (Operating Funding \$42,105)	Provide additional operating funding to support the city's information management infrastructure.
0	-0.75	(Non-Operating Funding \$-42,105)	
0	0.25	Network Systems Administrator (Operating Funding \$17,293)	
0	-0.25	(Non-Operating Funding \$-17,293)	
0	0.25	Network Analyst Senior (Operating Funding \$12,782)	
0	-0.25	(Non-Operating Funding \$-12,782)	
0	0.25	Network Analyst Assistant (Operating Funding \$11,278)	
0	-0.25	(Non-Operating Funding \$-11,278)	
0	0.20	(Operating Funding \$6,000)	Miscellaneous changes.
0	-0.70	(Non-Operating Funding \$-21,000)	
-3	-3.50	TOTAL	

ASSESSOR'S OFFICE

EXECUTIVE SUMMARY

MISSION:	To administer the city's assessment program in a manner that assures public confidence in the accuracy, efficiency, and fairness of the assessment process.
STRATEGIC ISSUES:	Ensure that costs for services are distributed equitably while promoting the public good. Provide services and activities that add value to the city and ensure they are provided in the most customer-focused, cost-effective way possible.
INITIATIVES FOR 2001:	Complete the agency's conversion from a mainframe-based information system to a network-based system. Streamline the department's operations and increase productivity by restructuring the property appraiser classifications. Continue to work on methods to permit information sharing between the Assessor's Office and other city departments.

BACKGROUND

The Assessor's Office is responsible for uniformly and accurately assessing all taxable property in the City of Milwaukee. Accurate assessments ensure that all areas of the city and all classes of property equitably share responsibility for property taxes.

In recent years, the department has focused on improving its valuation systems by upgrading and migrating from the mainframe computer. By maximizing technology, the department has been able to improve quality while reducing costs.

Another major function of the Assessor's Office is to provide public information and assistance. The Assessor's Office continues to focus on more efficient, user-friendly methods to provide this service. By using technology to make this information readily available, the Assessor's Office has significantly reduced the number of assessment objections and telephone calls for data while dramatically increasing the availability of property information and the number of customers serviced via the Internet.

OBJECTIVE 1

To guarantee accurate and equitable distribution of property taxes as measured by industry standards and as measured by assessment level, co-efficient of dispersion and price-related differential.

OUTCOME HISTORY

The primary goal of the assessment process is to ensure that costs for municipal services are distributed equitably through the property tax. The assessment industry has established standards that prescribe statistical measures to determine the accuracy of prop-

erty assessments. The most common of these include the coefficient of dispersion and the price-related differential. Both measures compare assessed values against actual selling prices for similar properties to determine assessment quality. The coefficient of dispersion measures the average distance that sales are from the median sales price. For example, if the target is 100%, and the coefficient of dispersion is 10, this means that the average assessment is within 10% of 100%. The Assessor's Office has consistently met or exceeded both statutory and industry standards

for these measures, indicating a high degree of accuracy in valuing properties (see Figure 1).

The assessment process includes ongoing cyclical inspection of real property and maintenance of all property and ownership records; review and field verification of sales; inspection of properties on which building permits have been issued; ongoing analysis of sales data and assessment equity; processing assessment appeals; audits of personal property; processing personal property returns; creating real and personal property assessment rolls; and determining eligibility for property tax exemptions.

An ideal property assessment program is one in which assessments are updated annually to assure all properties are assessed at market value. The benefits of carrying out an annual assessment program, however, must be weighed against ongoing costs, staffing limitations, value trends, and availability of market data. Currently, assessments are updated biennially to assure an equitable distribution of taxes.

The Assessor's Office continues to modernize its computer systems and streamline its operations with annual assessments as its goal following the year 2002 revaluation. In 2001, \$3.1 million is allocated to assessment activities.

ACTIVITIES

- Assessment of property

PROGRAM CHANGES

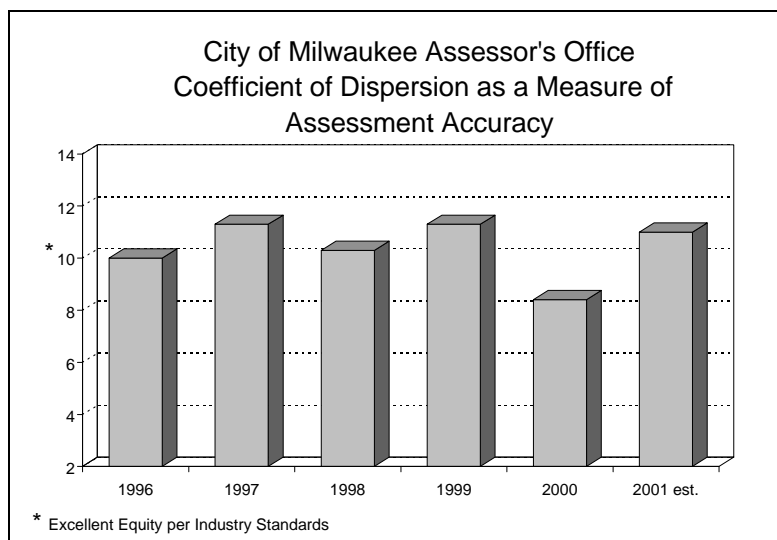
Complete Mainframe Conversion: In 2001, the Assessor's Office will complete migration of its information systems by transferring its remaining two systems to its client-server network-based system. Following migration of the city's personal property and objections systems from the mainframe, information from these databases will become available to all departments through the city's wide-area network. For this purpose, \$98,000 is allocated.

Objections: The objections process is being updated to conform to a new state law that went into effect for

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Assessment Level.	93.2%	100.0%	97.0%
Coefficient of Dispersion.	11.3	<10.0	<10.0
Price-related Differential.	1.02	1.00	1.00
Funding by Source:			
Operating Funds	\$3,543,858	\$3,353,964	\$3,098,838
Total:	\$3,543,858	\$3,353,964	\$3,098,838

Figure 1



2000 objections. This process will involve closer monitoring by the Assessor's Office to ensure owner's agents and assessment personnel comply.

Continue Department Restructuring: In 2001, Assessor's Office management and union representatives will continue implementation of a plan to restructure the property appraisal classification. This plan will enable the department to assign assessment work more efficiently. Team and quality management techniques will be used to assign work strategically. The department anticipates that this change will improve customer service and the quality of assessments. As part of this change, one position of Supervising Assessor Assistant, and one Office Assistant III position will be eliminated in 2001 for a total savings of \$70,960.

OBJECTIVE 2

To increase customer satisfaction with the assessment process by delivering cost-effective, customer-focused service as measured by the percent of objections appealed to the Board of Appeals and the Board of Review.

OUTCOME HISTORY

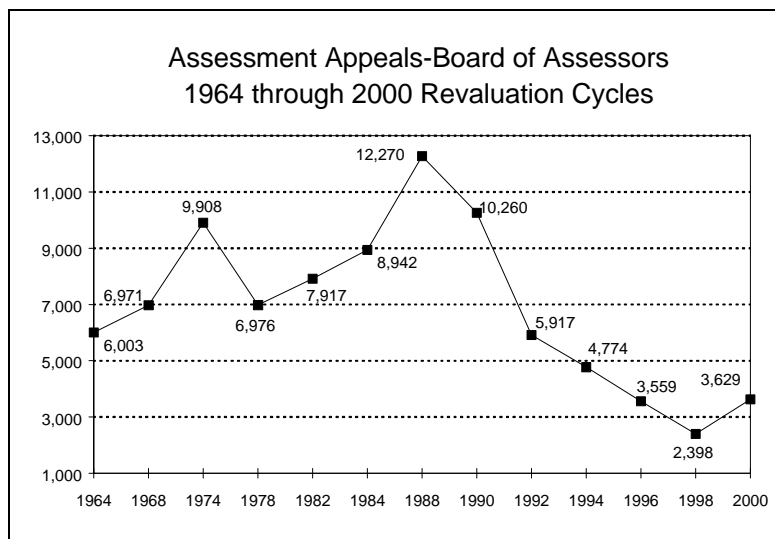
An important measure of the quality of assessments is customer satisfaction with the assessment process as measured by the number of assessment appeals. The Wisconsin State Constitution and state law require an appeal process for those wishing to contest the assessment of their property. The Board of Assessors and the Board of Review hear appeals – affording citizens the opportunity to voice concerns or contest an assessment. The department's goal is to maintain the average number of assessment objections for each two-year revaluation cycle at less than 2% and the number of formal appeals to the Board of Review at less than 0.5% of all real and personal property assessments.

In recent years, efforts have focused on improving assessment accuracy, providing public information and education, and increasing access to assessment and sales data so as to reduce the number of objections. This has resulted in a 70% reduction in appeals since the 1988 revaluation. However, appeals for the 2000 revaluation are up 51.3% from 1998. The increase in appeals are attributable to property values increasing on average 12.4% citywide with some areas topping 20% increases (see Figure 2). The Assessor's Office remains committed to reducing objections and appeals by increasing opportunities for customer access to information. The 2001 budget allocates \$919,613 for processing assessment appeals.

As a major provider of property information, the Assessor's Office has found that computer technology enhances its ability to deliver efficient, customer-focused service. Automation of some processes via Internet, electronic updating of ownership data, and distribution of assessment information at local libraries have all proven effective at increasing access to property information while increasing efficiency.

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Objections to Board of Appeals.	0.10%	<2.0%	<2.0%
Objections to Board of Review.	0.02%	<0.05%	<0.05%
Funding by Source:			
Operating Funds	\$895,522	\$891,560	\$919,613
Total:	\$895,522	\$891,560	\$919,613

Figure 2



The Assessor's Office continues to examine innovative ways to maximize the benefits provided by technology, improve quality, and reduce costs while increasing customer satisfaction. The challenge remains, however, to improve interdepartmental access to shared data as more and more departments begin to migrate systems from the mainframe computer. The Assessor's 2001 budget allocates \$117,209 for providing public information and assistance to other departments, governmental agencies, businesses and the general public.

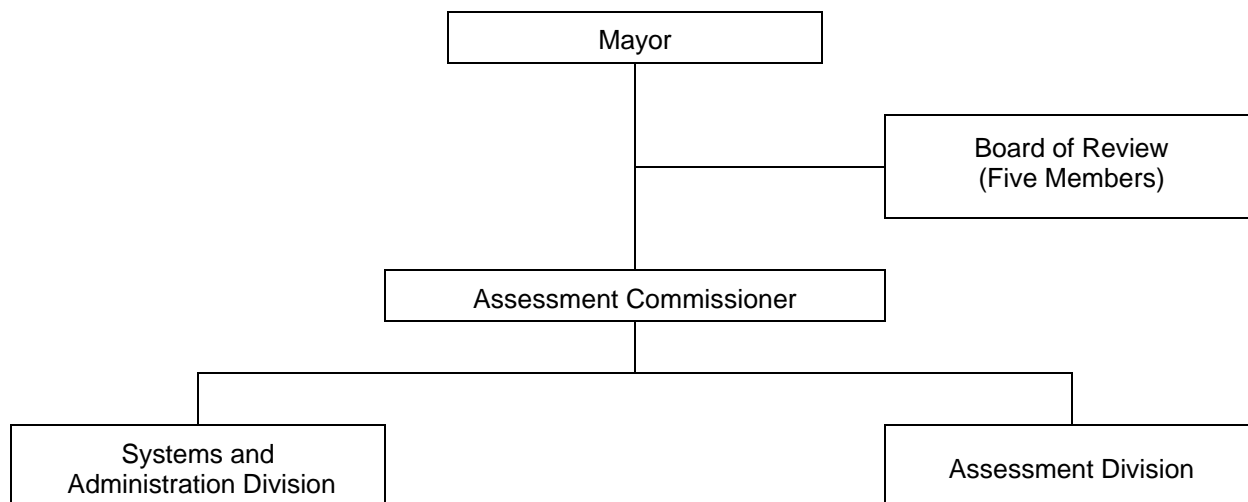
ACTIVITIES

- Assessment appeals
- Delivery of public information and education

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	66.19	66.00	61.87	-4.13
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	71	71	69	-2
DLH - Operations and Maintenance	119,146	122,800	111,368	-11,432
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$2,877,210	\$2,902,232	\$2,746,458	\$-155,774
Fringe Benefits	898,487	928,714	906,331	-22,383
Operating Expenditures	537,023	314,578	267,662	-46,916
Equipment	0	0	0	0
Special Funds	126,660	100,000	98,000	-2,000
TOTAL	\$4,439,380	\$4,245,524	\$4,018,451	\$-227,073
REVENUES				
Charges for Services	\$1,028	\$25,400	\$500	\$-24,900
TOTAL	\$1,028	\$25,400	\$500	\$-24,900

CAPITAL PROJECTS - None

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Assessment Analysis Manager (Operating Funding \$-70,641)	Reclassification.
1	1.00	Business Systems Manager (Operating Funding \$78,110)	
-1	-1.00	Systems and Administration Supvr. (Operating Funding \$-58,334)	
1	1.00	Network Administrator (Operating Funding \$65,308)	
-1	-1.00	Administrative Assistant II (Operating Funding \$-30,446)	
1	1.00	Office Supervisor (Operating Funding \$33,007)	
0	-2.00	Property Appraiser (Operating Funding \$-61,675)	Positions moved to auxiliary as part of on-going department restructuring.
-1	-1.00	Supervising Assessor Assistant (Operating Funding \$-43,569)	Positions eliminated as part of on-going department restructuring.
-1	-1.00	Office Assistant III (Operating Funding \$-27,391)	
0	-0.13	Vacancy Adjustment (Operating Funding \$-55,772)	Additional reductions due to increased vacancy rates.
-2.00	-4.13	TOTAL	

CITY ATTORNEY

EXECUTIVE SUMMARY

MISSION:	To provide quality legal services and successfully meet clients' needs in accordance with the city charter and statutory requirements.
STRATEGIC ISSUES:	Improve effectiveness of office management and procedures through enhanced technology and increased productivity. Provide quality legal services to clients. Effectively address city liability issues.
INITIATIVES FOR 2001:	Continue enforcement of the public nuisance abatement and drug house abatement ordinances. Pursue <i>in personam</i> actions against those who are delinquent in the payment of real estate taxes.

BACKGROUND

The City Attorney is a publicly elected official who serves a four-year term. The City Attorney conducts all of the legal business for the city and its "clients", including departments, boards, commissions, and other agencies of city government. The City Attorney's Office handles city litigation and keeps a docket of cases to which the city may be a party, provides legal advice and opinions, and prepares and exam-

ines legislation for the Common Council. In addition, the City Attorney is responsible for drafting all legal documents that are required in conducting the business of the city, collecting claims and delinquencies, and prosecuting violations of city ordinances. The City Attorney's Office is also responsible for the city's liability risk management function.

OBJECTIVE 1

To protect the legal interests of the city and its various agencies, departments, boards and commissions as measured by the percent of cases resolved by pre-trial evaluation and the percent of claims which result in lawsuits.

OUTCOME HISTORY

The primary objective of the City Attorney's Office is to protect the overall legal interests of the City of Milwaukee. In 2001, the City Attorney's Office will expend over \$9.2 million on accomplishing this objective. To reflect the focus of many of its activities and programs, the department has two indicators that will measure this objective. The first is the percent of cases resolved by pre-trial evaluation. Af-

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Cases resolved by pre-trial evaluation.	59.0%	59.0%	59.0%
Claims that result in lawsuits (reflects claims filed three years prior).	4.0%	5.0%	5.0%
Funding by Source:			
Operating Funds	\$5,603,326	\$5,537,412	\$5,821,012
Special Purpose Accts.	2,833,689	3,075,000	3,450,000
Capital Budget	0	45,300	0
Total:	\$8,437,015	\$8,657,712	\$9,271,012

ter a defendant has passed through intake, the City Attorney's Office will try to resolve the case without further court appearances. If cases can be resolved in this manner, court time can be used for more serious offenses. As Figure 1 shows, from 1993 to 1995 the percent of cases resolved by pre-trial evaluation steadily increased. However, in more recent years the percent has leveled out.

The second measure is the percent of claims filed three years prior that result in lawsuits. When claims between the city and claimant cannot be resolved, they expose the city to increased liability and additional time spent in court. Therefore, it is in the best interests of the city to minimize the number of claims that proceed to litigation. However, claimants have three years after filing a claim to follow up with at lawsuit. This measure is modified in the 2001 budget to better reflect this timeframe.

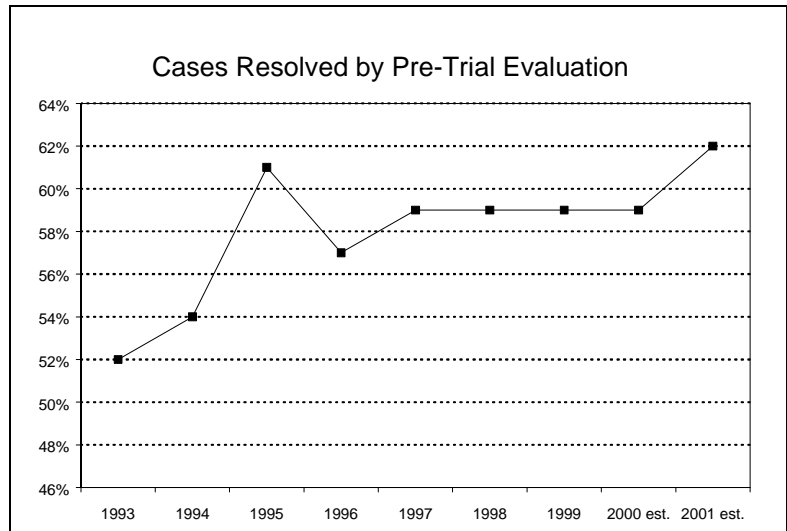
In 1999, the City Attorney's Office redefined its programs and associated activities and developed new internal management indicators and result measures to monitor workload and effectiveness. While retaining some of the existing measures, the new measures now include items that were not previously measured, such as *in personam* actions. For example, collection enforcement includes areas such as real estate, eviction and rent collection, subrogation, bankruptcy, collection contract, and mortgage foreclosures.

While the city's new Financial Management Information System provided the impetus for the new programs and result measures, the City Attorney's Office new legal automation system provides additional benefits in terms of measuring workload and productivity. The new system allows the City Attorney's Office to track electronically its work product by document type, client name, and legal section, among other search criteria. The PC DOCS system will assist the City Attorney's Office in locating and reusing prior work product and to measure more accurately staff workload distribution.

Once fully implemented, the legal automation system will allow the City Attorney's Office to:

- Improve its reporting to city departments and policymakers;

Figure 1



- Maximize its efficiency through better calendaring and docket management; and
- Manage office workload through better reporting from the docket system.

PROGRAMS AND ACTIVITIES

- Prepare and review documents
 - Corporate and general documents
- Special legal services
 - Police legal services
 - Legislation review
 - Meetings attended and client counseling
 - Risk management
 - Outside counsel/expert witness
- Represent the city in litigation cases
 - Liability claims
 - Civil actions
 - Administrative hearings
 - Litigation documents
 - Payroll damages and claims
- Collection enforcement
 - Real estate taxes
 - Eviction and rent collection
 - Collection contract
 - Mortgage foreclosures
 - Other collection cases
- Ordinance violation prosecution
 - Municipal and circuit court prosecutions
 - Case review
 - Continuing legal education

PROGRAM CHANGES

Public Nuisance Actions: The City Attorney's Office has developed a program to reduce public nuisances in our community. Reducing public nuisances contributes greatly to the quality of life in the City of Milwaukee. Public nuisance lawsuits are undertaken when other city enforcement efforts have failed.

Cases may be filed on behalf of the Department of Neighborhood Services when owners refuse to repair their properties, even after the court imposes significant forfeitures. The Police Department refers cases regarding neighborhood disturbances or drug houses where property owners' management has contributed to the activity. If the owner does not abate the nuisance as a result of court action, a receiver is appointed, who will repair the building, evict problem tenants, or eliminate the environmental conditions that allow for criminal activity to flourish. Through the use of these new legal tools, the City Attorney has been able to help maintain the property tax base and to restore peace to city neighborhoods.

In Personam Actions: In 1997, the Common Council took advantage of changes in state law, passing an ordinance allowing the City Attorney to pursue *in personam* actions against property owners and any assets they hold besides the delinquent property in question. Since that time, the city has collected almost \$1 million through use of *in personam* actions. Through the use of this additional tool, the City Attorney expects that collecting payments owed to the city will become more effective and efficient.

Suspected Contaminated Properties with Delinquent Property Taxes: In 2000, the City Attorney's Office worked to develop state legislation allowing the city to foreclose and sell delinquent properties without entering the chain of title. This legislation will allow the city to develop properties. However, once the property is transferred to the new owner, the city can still use the *in personam* remedy to recover back taxes from the previous owner.

OTHER ACTIVITIES AND CHANGES

Special Purpose Accounts: The City Attorney is responsible for administering four special purpose accounts: Damages and Claims Fund, Outside Counsel and Expert Witness Fund, Insurance Fund, and the Collection Contract.

The Damages and Claims Fund pays for general liability judgments against the city. In 2001, the funding level will total \$1,500,000, a decrease of \$400,000 from 2000. The allocated funding reflects average expenditures claims from 1988 to 1999, excluding 1998 when a large claim was settled. Expenditures from the account in 1999 were \$1,186,349.

The Outside Counsel and Expert Witness Fund will be funded at \$500,000 in 2001, an increase of \$250,000 from 2000. This account is used to bring in other law

firms when the city needs to retain outside counsel, as well as witnesses who have specialized expertise in certain fields. The increase for this account in 2001 results from higher than anticipated costs of legal expenses relating to various ongoing lawsuits.

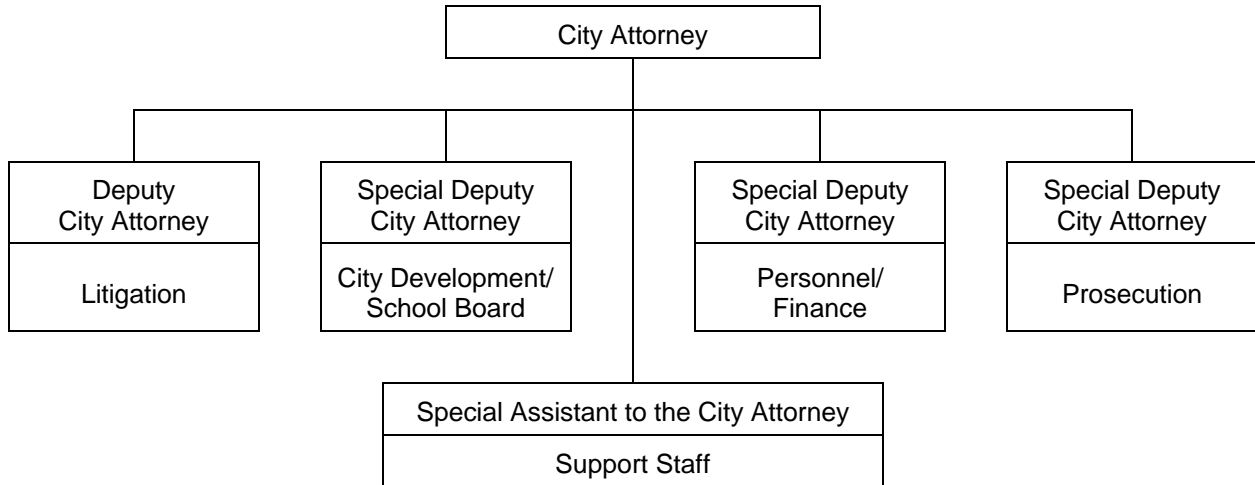
The 2001 budget includes \$450,000 for the Insurance Fund, an increase of \$50,000 from 2000. This fund pays city premiums for policies such as property insurance, auto liability, and public officials bonds.

The 2001 budget also allocates \$1 million for the Collection Contract Special Purpose Account. This is an increase of \$475,000 from 2000. The Collection Contract generates over \$4 million in net revenue for the city.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	46.53	54.50	56.07	1.57
FTEs - Other	14.87	9.00	10.93	1.93
Total Positions Authorized	73	67	68	1
DLH - Operations and Maintenance	83,754	97,158	98,114	956
DLH - Other Funds	26,759	16,433	19,674	3,241
EXPENDITURES				
Salaries and Wages	\$2,161,856	\$2,443,317	\$2,520,352	\$77,035
Fringe Benefits	658,824	781,861	831,716	49,855
Operating Expenditures	1,237,356	811,114	793,027	-18,087
Equipment	0	0	59,500	59,500
Special Funds	<u>308,593</u>	<u>49,500</u>	<u>48,510</u>	<u>-990</u>
TOTAL	\$4,366,629	\$4,085,792	\$4,253,105	\$167,313
REVENUES				
Charges for Services	<u>\$196,446</u>	<u>\$176,400</u>	<u>\$100,000</u>	<u>\$-76,400</u>
TOTAL	\$196,446	\$176,400	\$100,000	\$-76,400

CAPITAL PROJECTS - None

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL- TIME EQUIV.	POSITION TITLE	REASON
0	0.34	Graduate Intern (Operating Funding \$7,940)	Provide additional hours for interns.
0	-1.24	Vacancy Adjustment (Operating Funding \$-78,232)	Additional reductions due to increased vacancy rates.
0	-0.90	TOTAL	

DEPARTMENT OF CITY DEVELOPMENT

EXECUTIVE SUMMARY

- MISSION:** To improve the quality-of-life in Milwaukee by guiding and promoting development that creates jobs, builds wealth and strengthens the urban environment and at the same time respects equity, economy and ecology.
- STRATEGIC ISSUES:**
- Promote an economic climate that fosters lasting investment, innovation and job creation.
 - Lead the community's development-related decision-making processes to achieve a productive balance between competing land uses and economic interests, ensuring that the physical and economic growth of the city adds value in the urban context.
 - Enhance and expand the city's housing assets.
 - Ensure processes, reviews and approvals are efficient, consistent and user-friendly.
- INITIATIVES FOR 2001:**
- Continue implementing the Menomonee Valley Redevelopment Plan, emphasizing industrial park development and job creation opportunities.
 - Initiate implementation of the Havenwoods Redevelopment Plan completed in 2000.
 - Implement an on-going recruitment and retention strategy to more effectively build relationships and provide support to retain and expand firms.
 - Implement a brownfields remediation loan/grant program to facilitate business expansion.
 - Work with partners to advance the region's technology based economy.
 - Continue the construction of the Metcalfe Park Community Center and the redevelopment of the surrounding neighborhood.
 - Facilitate construction of new owner-occupied housing at the Cherokee Point, Beer Line, and the Granville Estates Developments.
 - Continue implementation of the Downtown Plan.
 - Implement an initiative to recycle tax delinquent properties that are suspected of being contaminated.

BACKGROUND

The Department of City Development (DCD) has a wide range of responsibilities in housing, planning, development, business assistance and marketing. While responsibilities are diverse within the department, nearly every program and project in which DCD is involved requires cooperative efforts with citizens, businesses, and neighborhoods.

One aspect of DCD's active partnership is its provision of assistance to commissions, authorities, and citizen boards. DCD's activities include administration and support for the:

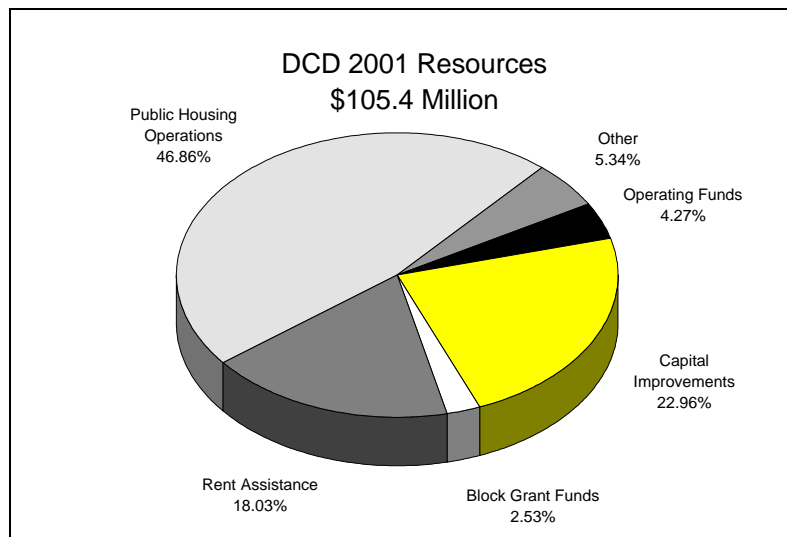
- Housing Authority
- Redevelopment Authority
- Milwaukee Economic Development Corporation

In addition, DCD provides advisory and other support to the:

- City Plan Commission
- Historic Preservation Commission
- Milwaukee Arts Board
- Board of Zoning Appeals
- Business Improvement Districts
- Fourth of July Commission
- Common Council Committee on Economic Development

The department's operating budget represents only a small portion, roughly 4.3% of the total resources it controls and uses to fulfill its mission (see Figure 1). In addition to its operating budget, the department expects to administer approximately \$101 million for other funding, including federal block grant funds (\$2.7 million), federal rent assistance funds (\$19.0 million), federal public housing funds (\$49.4 million), capital improvements (\$24.2 million) and other funding sources (\$5.6 million), of which \$5.1 is

Figure 1



from special purpose accounts. All told, DCD anticipates that it will receive and have responsibility for approximately \$105.4 million in funding for fiscal year 2001.

OBJECTIVE 1

Promote an economic climate that fosters lasting investment, innovation and job creation as measured by the level of private investment for each city dollar, and the number of jobs retained and created due to city assistance.

OUTCOME HISTORY

One of DCD's objectives is to facilitate the creation of job opportunities for Milwaukee residents. When DCD provides assistance to businesses through loans, façade grants, tax-exempt bonds, development zone tax credits and other programs, it tracks the number of jobs created and retained as a result of its actions.

During 1999, DCD assisted 142 companies who created or retained 3,421 jobs in the city (see Figure 2). DCD assisted such companies as Rockwell International, which moved its headquarters from California; American General Life Insurance Company, which established its Midwest Operations Center on the near south side; and Extendicare, Inc. which ex-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Private investment for every city dollar.	\$8.92	\$8.00	\$8.00
Jobs retained	2,488	2,300	2,300
Jobs created	940	1,500	1,700
Funding by Source:			
Operating Funds	\$2,490,197	\$2,109,394	\$1,943,989
Grant and Reimbursable	4,851,909	2,964,819	2,745,899
Capital Budget	11,974,556	10,500,000	23,850,000
Special Purpose Accts.	3,372,618	3,937,277	5,066,620
Total:	\$22,689,280	\$19,511,490	\$33,606,508

panded its downtown headquarters. In addition to these large companies, the department provides considerable assistance to small and start-up businesses. DCD measures its effectiveness in attracting jobs by tracking the amount of private investment generated by city programs. The 142 businesses that received assistance in 1999 invested a total of \$109.8 million in Milwaukee. On average, for every \$1 that DCD programs provided, private companies invested \$8.92 of

their own funds in their project. In 2001, \$33.6 million total resources will focus on this private investment and job creation objective.

PROGRAMS AND ACTIVITIES

- Economic Development Business Assistance
 - Loans made to businesses (MEDC)
 - Provide development zone certification
 - Provide bonds (RACM)
 - Develop/market industrial land (MEDC)
 - Assemble and clean-up sites
 - Assist business improvement districts
 - Provide other capital resources
 - Support to tax incremental districts
- Market Milwaukee as a business location
- Operate Milwaukee's Mainstreets Program

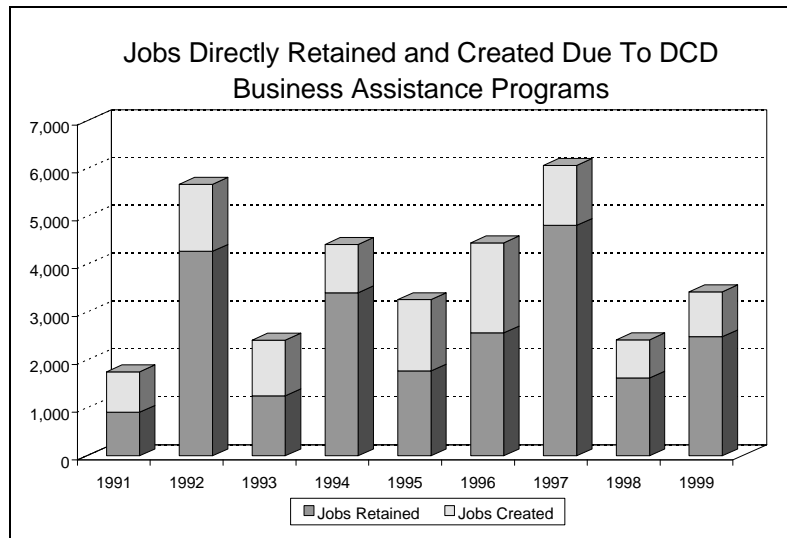
PROGRAM CHANGES

Milwaukee's Mainstreets - Neighborhood Development: Commercial corridors are a crucial component of the city's neighborhoods. Their revitalization fosters job creation, availability of goods and services, growth of the tax base and visible signs of neighborhood health, which encourage additional investment. For this reason, DCD added and assembled its neighborhood commercial development tools into a coordinated package, Milwaukee's Mainstreets Program.

Because locations in Milwaukee's commercial districts compete with aggressively marketed suburban locations, the department is enhancing its capacity to collect and disburse essential market data on more than 40 primary commercial retail districts. DCD develops building inventories, collects market information (demographics, market trends, traffic counts, etc.) and creates a profile on each primary commercial district. This information is distributed via the department's website, newspaper ads, direct mail and in face-to-face marketing efforts. The department plans to continue developing new neighborhood profiles and corresponding web pages for the 48 districts and update all existing brochures in 2001.

Downtown Development: DCD will continue to pursue retail development consistent with the objectives of the Downtown Plan. A major initiative will

Figure 2



be the redevelopment of the downtown Boston Store building into a mixed-use project consisting of a department store, regional offices for Carson Pirie Scott & Co. and market rate apartments. This renovation of a historically significant structure is anticipated to cost over \$31 million and will receive development assistance from both the City of Milwaukee and the State of Wisconsin. It is also anticipated that the city will work closely with the owners of the Grand Avenue Mall to successfully reposition this property. In addition, DCD will work with owners, retailers, commercial brokers and community-based organizations to fill the remaining empty storefronts throughout downtown Milwaukee.

Business Improvement Districts: Business Improvement Districts (BIDs) are special assessment districts created at the petition of local commercial property owners. BID initiatives tend to grow out of local business organizations that have identified needs for creating a positive environment for development. DCD considers creating local capacity in business associations, BIDs, and other groups interested in economic development, vital in cultivating the partnerships necessary to sell Milwaukee as a marketplace.

There are 18 active BIDs in Milwaukee, each governed by a local board. Collectively, these BIDs raise nearly \$3 million annually for activities ranging from economic development to administration and street-scaping to public safety. Geographically, BIDs are located downtown and throughout city neighborhoods.

BIDs involve significant actions by several city departments on an annual basis. DCD engaged a consultant in late 1999 to review how these various departments interact, and how the city can best provide service to this ever-growing constituency. To that end, one Neighborhood Development Specialist position will be assigned as a BID Coordinator. This position will be primarily dedicated to assisting in the creation of new BIDs and helping existing BIDs with numerous technical issues. This change will restructure the process by which various city departments interface with the BIDs to insure that they are given the highest level of service.

Metcalf Park Development: Construction got underway in October, 1999 on a major central city educational and recreational center located on North Avenue near 35th Street. The 87,000 square foot Todd Wehr Metcalf Park Community Center is a model of innovative and efficient cross programming. It incorporates four distinct-yet-compatible uses: a new Boys and Girls Club Branch (The Roger and Leona Fitzsimonds Boys and Girls Club); a MPS K4-8 neighborhood school (The Ralph H. Metcalf Neighborhood School) accommodating 560 children; a state-of-the-art library and computer learning center; and a community performing arts space which doubles as the school cafeteria.

In addition, the department will work with a new neighborhood-based community development corporation to coordinate private sector development spurred by this catalytic project. Already, American Stores has announced that they are investing nearly \$9 million for a new Jewel Osco store across the street from the complex. Interest in nearby retail spaces on North Avenue is growing as well.

Park East - U.S. Highway 145 Reconfiguration/Redevelopment: The city and the county are working with the State of Wisconsin to replace the Park East freeway between North Jefferson Street and a point east of I-43. The project could allow for the development of upwards of 25-acres of underutilized downtown property that was previously encumbered by the freeway. The land is expected to be redeveloped for commercial and residential uses consistent with the Downtown Plan.

RiverWalk Extension: The city's RiverWalk is spurring economic development and improving access to the Milwaukee River. Since the project's inception in 1994, the property values in the downtown Milwau-

kee River BID area have increased by \$102,098,350. Much of this is attributable to new residential development directly on the river and new commercial development in the area. In 2000, DCD continued to work with its private sector partner, the board of BID #2, to refine its design and planning of a five-block extension of the RiverWalk in the Historic Third Ward. This BID has continued to seek the approval of the property owners to construct a RiverWalk based on an innovative conceptual design by artist/architect Mary Miss. Public art will be a strong component of this RiverWalk segment. DCD will continue to assist the neighborhood in its efforts to attract businesses to nearby 19th century buildings that hold promise for conversion into residential, retail, and office space.

On the north end of downtown, DCD is working with Harley-Davidson and the Milwaukee River BID on the extension of the RiverWalk along the west bank of the Milwaukee River between West McKinley Avenue and East Cherry Street. Likewise, RiverWalk development along the Beer Line area is planned for year 2001 construction along the Trostel site and the River Homes development on North Commerce Street. Finally, a RiverWalk project was completed at the Northern Lights office development in 2000 connecting the Milwaukee River with the Brady Street commercial area.

Market Milwaukee: A main focus of DCD's Economic Development Division is the retention and expansion of Milwaukee businesses. The products and services developed for that purpose (MEDC loans, bond issues, site searches, etc.) are marketed to the existing Milwaukee area business community. Business recruitment marketing is leveraged through cooperative efforts with other organizations. To expand recruitment reach even further, the division is participating in a Spirit of Milwaukee venture that will develop a unified brand-image and message for the Milwaukee area. The brand image campaign will remain an ongoing project to promote Milwaukee through 2001.

Menomonee Valley: DCD and Menomonee Valley stakeholders made significant progress in 1999, implementing three of the Valley Land Use Plan's eight recommendations. Work continues on environmental testing, efforts to improve access and general appearance, and implementation of technical and financial assistance to move private parcels into redevelopment. In 2000, the Menomonee Valley Part-

ners, Inc. (MVP), its seven working committees, and to a lesser extent, the new Business Improvement District will play a significant role in the city's efforts to build support (from federal to neighborhood levels) for the plan and to implement its details.

The largest opportunity in the Valley is the redevelopment of the 100-acre former Milwaukee Roads Shops located between the stadium and Falk Corporation. As the largest contiguous industrial-zoned parcel in Milwaukee, this site could see 800-1,200 high-wage manufacturing jobs with the development of an urban industrial park. The economic vitality of the Valley directly impacts the health and vitality of Milwaukee's neighborhoods, especially those on the near north and south sides. In the year 2000, work was started to achieve site control, and concurrently, financial support from relevant federal and state programs.

The extension of Canal Street, and the prerequisite rail relocation out of Canal Street, will also be a priority for DCD and all Valley stakeholders. It will be essential to secure state support for the extension of Canal Street if it is to be completed in time to serve as an alternate route for the eventual Marquette Interchange reconstruction.

With work commencing on the Sixth Street Viaduct, adjacent parcels (owned by the Redevelopment Authority and DPW) will be looked at in detail for a coordinated redevelopment effort connecting downtown on the north with the Reed Street Yards and Tannery Development in Walker's Point to the south. DCD expects to work with its Valley partners to hold a detailed design and market feasibility exercise to create visions, and ultimately secure development interest in this area before viaduct rebuilding is complete.

In 1999, the city completed Phase II testing of the nine parcels owned by the Redevelopment Authority. To date, five of these parcels have options on them. In 2000, DCD will work to close those five properties and market the other four. DCD will also work with the Department of Public Works and the MVP to cost-out and find ways to relocate the three existing DPW operating facilities (Traser Yards, Vehicle Maintenance Facility and Sign Shop) out of the Valley - by opening those properties to job-yielding redevelopment. The city will also continue its Valley-wide environmental testing with a \$150,000 supplemental grant from U.S. EPA. DCD anticipates completion of groundwater-level testing by fall and begin

chemical testing late in 2000. These findings should remove a large degree of the uncertainty for property owners and potential developers. Coupled with the technical and financial incentives from previous federal and state grants, this should move several private properties toward sale or redevelopment by year's end. DCD will continue efforts to keep all stakeholders involved in the Valley redevelopment through frequent public meetings, working-level meetings, and through the Valley web site.

Land Recycling: Uncertainty about environmental contamination can be a significant impediment to private development since it can add unquantifiable costs and time delays. Over the past ten years, DCD has entered into partnerships to redevelop 44 properties with suspected environmental contamination. The redevelopment of these properties, often referred to as "brownfields", has led to the creation and retention of 1,455 jobs and led to over \$199 million in redevelopment.

Although most properties in Milwaukee are well suited for redevelopment and are not contaminated, there are approximately 300 properties that are tax delinquent and might have environmental pollution challenges. With over \$9.4 million in back taxes, these properties are likely to remain vacant and underutilized without city efforts. In 2001, DCD will accelerate its brownfields redevelopment efforts by focusing on the testing, clean-up, and sale of twenty tax delinquent brownfields with the highest redevelopment potential. DCD will actively seek grants, apply for funding under the block grant brownfields redevelopment category, and tailor transactions to take advantage of state remediation tax credits. DCD will also utilize \$50,000 of 2001 funding to bring personal lawsuits ("*in personam*" cases) against property owners who have financial resources but fail to pay their taxes. In addition, MEDC will make a payment of \$200,000 to the city to assist with this effort.

Brownfield Development: MEDC and DCD have planned several initiatives to remediate contaminated sites and stimulate new business development at those locations. A new matching grant program will be implemented to help companies pay for environmental testing and the preparation of remedial action plans for contaminated, vacant industrial properties. As it did at South 5th Street and West Grange Avenue in 2000, MEDC plans to fund tax incremental finance districts for private developers who remediate industrial sites. In addition, MEDC

plans selective site acquisition of contaminated properties, which can be recycled for productive use by businesses. In 2000, MEDC acquired three such sites.

Havenwoods: With the cooperation of the Havenwoods Business Association, MEDC plans to develop a 60-acre business park at North 60th Street and West Green Tree Road. Ultimately, this site is expected to be home to ten to fifteen manufacturing firms with over 1,000 employees. Future private investment in the area is estimated at \$15 million. This project is expected to be the anchor for a long-term revitalization plan of the area bounded by West Silver Spring Drive, North 60th Street, West Mill Road, and North 76th Street. In 2000, MEDC completed a comprehensive land use and redevelopment plan for this area, addressing industrial development opportunities, commercial revitalization needs, and housing renovation requirements in the area.

Towne Corporate Park: This 64-acre business park is a joint venture between the city, MEDC and Towne Realty, Inc., and is located at North 111th Street and West Brown Deer Road. Approximately one-half of the sites have been sold to firms that have built 260,000 square feet of industrial facilities, an investment of \$9.1 million. The balance of the project, which should be sold and developed over the next two years, is expected to attract another \$10 million of investments.

Real Estate: The 2001 budget eliminates funding for one vacant Real Estate Analyst-Senior position and one vacant Real Estate Specialist position. This change reflects more of these activities being performed by outside contractors. Auxiliary position authority will remain for these two positions. Total city funded salary saving is \$24,087.

OBJECTIVE 2

Support investment in new housing as measured by the number of new housing units.

OUTCOME HISTORY

DCD supports the development of new housing units in the city by providing assistance to potential housing developers. Specific services include assembling, preparing, and marketing property for residential development and facilitating the development process. DCD will chart its progress toward supporting this objective by tracking the number of new housing units completed each year. In 2001, \$200,000 of capital resources and staff time from the Economic Development Division will support this objective.

Milwaukee continued to experience large gains in the number of new housing units in 1999, with 695 new units developed (see Figure 3). The number of new housing units completed in 1998 and 1999 exceeded the combined total of the previous four years. Demand is strong throughout the city and assessed values and levels of owner occupancy are increasing. The trend is expected to continue.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Number of new housing units.	695	500	500
Funding by Source:			
Capital Budget	\$170,006	\$200,000	\$200,000
Total:	\$170,006	\$200,000	\$200,000

New units represent a mix of both new construction and conversion, and renovation of former commercial, manufacturing and warehouse properties. The success of recent projects continues to fuel strong interest in housing in the city from both the developers and residents, many of whom are moving in from residences outside of the city.

DCD has leveraged city investment in public infrastructure, e.g. construction of the city's RiverWalk and public improvements in Beer Line "B", to promote new residential development. Units recently completed or under development on or near the river account for more than \$100 million in new investment.

DCD is also involved in providing support and advice for neighborhood-based, single-family housing development. The department also collaborates with the Department of Neighborhood Services to promote new residential infill development in city neighborhoods.

PROGRAMS AND ACTIVITIES

- Support private housing development
- Promote opportunities for new housing development
- Facilitate the regulatory and approval process for residential developers
- Assemble, prepare and market sites suitable for new housing development
- Analyze housing markets

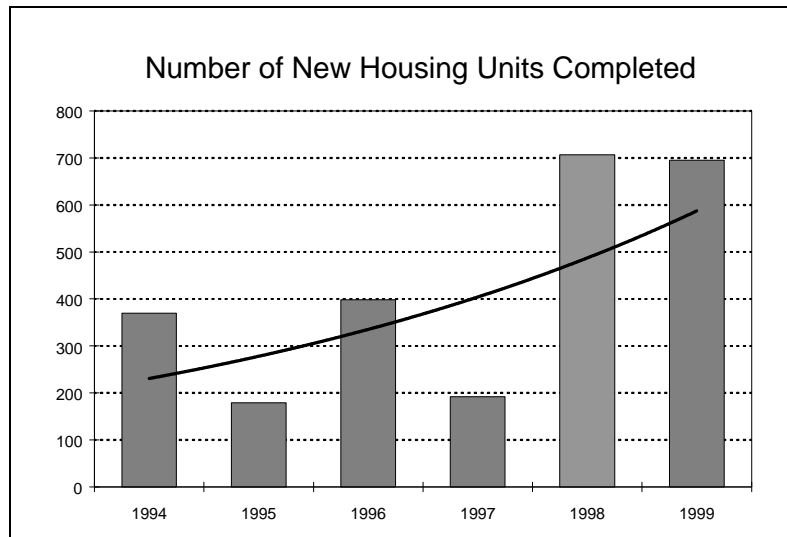
PROGRAM CHANGES

Beer Line “B” Housing (River Homes): In 2001, DCD will continue the implementation of the master plan for the development of this 44-acre project area along the Milwaukee River near the Brewers Hill neighborhood. In 2000, construction began on three significant new development projects in the area – “Commerce Bluff Condominiums”, “River Homes” and “Trostel Plaza”. These projects will bring 211 new housing units to the neighborhood and more than \$40 million in new investment. Additional projects are in the planning stages. When completed, Beer Line “B” will consist of up to 400 new units of high-quality housing as well as new neighborhood retail, commercial, and recreational development.

Neighborhood Subdivision Development: In 2001, construction will continue on several new single family residential projects representing more than \$30 million in new development. All involve the restoration of vacant, publicly owned land into productive use. Cherokee Point, a high-quality, traditional single family development, is being built on long-vacant, decommissioned freeway lands between 38th Street and Morgan Avenue. When complete, the development will contain 81 owner-occupied homes and 40 condominiums and have a value of more than \$20 million.

Riverwoods is being developed on privately-owned and surplus MPS lands near 91st Street and Mill Road, and will include 60 new single-family homes

Figure 3



with a value of more than \$9 million. Riverton Heights is a vacant parcel of city-owned land that has been subdivided and is being marketed by DCD’s Real Estate Section. When complete, this subdivision will contain nine new homes and represent more than \$1.4 million in new investment.

Downtown and Near-Downtown Neighborhoods: Milwaukee’s Downtown Plan calls for the addition of 500 housing units annually in the downtown neighborhood. There are several developments that are either in progress or nearing completion in the downtown and near-downtown neighborhoods, which will contribute to achieving this goal. In the Third Ward, the Jefferson Block Apartments will be built on Redevelopment Authority owned land at Jefferson and Menomonee Streets and contain 240 apartments, ground floor retail space and represent more than \$30 million in new investment. The Grain Exchange Building on North Milwaukee Street will be converted into a mixed-use development with 38-condominium units and ground floor commercial space.

Brewers Hill and the surrounding neighborhood are also seeing significant new residential development activity. Development of Cobblers Lofts, the conversion of the former Weyenberg Shoe site near Hubbard and Reservoir, will continue in 2001 and will produce 60 loft condominiums with a value of more than \$6 million. Future phases of the development will include additional conversions of industrial space as well as new construction. On the Redevel-

opment Authority owned site at 4th Street and Reservoir, the development of Vineyard Terrace will continue. This project will contain 37 new townhomes and represent \$7 million in new investment. Nearby, the conversion of a former warehouse, Reservoir Street Lofts will result in 12 new condominiums and \$2.5 million of new investment.

In the Walkers Point neighborhood, a vacant industrial building at 1st Street and Oregon will be converted into a mixed-income residential development with 98 rental units, representing more than \$11 million in new investment.

OBJECTIVE 3

Use planning and permitting as a tool to guide and support public and private investment as measured by the percent of the Development Center's walk-in customers who are satisfied or very satisfied.

OUTCOME HISTORY

Overall, a trend of increasing property values is continuing citywide. Sustainability of this trend over the long-term requires that both public and private investments not only respect the context of the neighborhoods in which they are located, but also add value to them. City planning and permitting activities provide both the theoretical and practical guidance required for value-adding development. Guidance comes in the form of the zoning ordinance, land use plans, urban design standards, the historic preservation ordinance and building codes. Administration of these regulations by staff requires sensitivity to both the long-range goal of appropriate physical development and the more immediate market realities to which the development community must react. In striving to achieve this objective, DCD will allocate \$3.2 million of its resources for this purpose in 2001.

PROGRAMS AND ACTIVITIES

- Land use planning
 - Create land use plans
 - Provide planning reviews (historic, etc.)
 - Create and administer urban design standards
- Development and Permit Center
 - Review project plans
 - Issue permits

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of walk-in customers satisfied or very satisfied.	95.0%	95.0%	95.0%
Funding by Source:			
Operating Funds	\$2,214,468	\$2,450,800	\$2,555,486
Grant and Reimbursable	290,532	485,800	485,800
Capital Budget	277,916	150,000	150,000
Total:	\$2,782,916	\$3,086,600	\$3,191,286

PROGRAM CHANGES

Neighborhood Planning: The year 2001 will see the completion of a neighborhood plan for the portion of the Fond du Lac Avenue corridor between North 12th Street and North 35th Street, and the start of a neighborhood plan for the remaining portion of the corridor between North 35th Street and Hampton Avenue. Additional neighborhoods are selected based upon the urgency of redevelopment issues facing the area and its partners. The neighborhood planning process will be a collaborative effort between the city and area stakeholders, such as community-based organizations, business groups, churches, non-profits and other private sector agencies.

Work will continue on implementation studies for such recently completed plans as the Menomonee Valley Plan, the Downtown Plan and the Havenwoods Neighborhood Plan. A topical plan, designed not for a specific neighborhood but around a specific topic, such as neighborhood retailing, will also be initiated. This plan will bring useful, widely applicable planning principles and solutions to bear in a variety of neighborhoods.

Comprehensive Plan Report: While the city has plans covering many of its neighborhoods, it lacks a comprehensive plan - an overall structure that supports these various documents. In 2001, the city's long-range planners will continue developing a reference document that describes the city's over-all approach to planning. The report will also catalog areas of the city and topics covered by current plans and better illustrate the relationship between comprehensive plans and other plans (such as renewal area plans). The document will provide background for city officials, city staff in DCD and other departments as well as the public. This document will complement and provide legal support for other division activities, such as the citywide zoning revision, and will bring the city into compliance with Wisconsin's recently enacted "Smart Growth" statute.

City-Wide Zoning Code Revisions: Much of 2000 was spent revising the city's zoning code to make it more consistent, more sensitive to existing character, and more responsive to contemporary development needs. Planning staff will guide the new code through the approval process and begin its implementation in 2001. To assist in the interpretation and implementation of the new code, staff will also develop a Zoning Interpretation Manual in 2001. The new code's simplicity will ease its acceptance among developers, architects, and other users.

Historic Preservation: The Historic Preservation Section's major activity in 2001 will be to complete all pending nomination requests. The section will strengthen its ability to provide current photographs of historic sites by working with field inspection per-

sonnel from DNS. The section will continue to evaluate the potential of converting to digital technologies for image documentation and commission presentations. Also, a new database will be created with links to DNS and other departments via the Internet.

Development Center: During 2000, DCD consolidated all planning, plan examination and permitting operations in one central location. The New Development Center, serves as a convenient, single point of contact for developers, contractors, and property owners undertaking development projects within the City of Milwaukee. The center helps streamline the development process and position planning and permitting staff to assist private investment. The relationship between the plan examination and planning administration staffs was strengthened by this move and by the implementation of an electronic plan tracking system. The center will continue developing the interdepartmental computerized project tracking system that allows staff from various departments - including the Department of City Development and the Department of Public Works - to monitor a project's progress through the approval process. The system provides a single electronic record of all plan reviews and approvals required for complex projects.

The plan examination staff in the Development Center will participate in two key initiatives during 2001, the implementation of a new Milwaukee zoning ordinance; and the creation of benchmarks that set the length of time allotted for plan review of various types of projects.

OBJECTIVE 4

Provide quality federally-funded low-income housing programs as measured by the Housing Authority's rating given by the U.S. Department of Housing and Urban Development.

OUTCOME HISTORY

The Housing Authority of the City of Milwaukee (HACM) is responsible for the construction, management, and provision of safe, affordable, and quality housing with services that enhances residents' self-sufficiency. The

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Housing Authority rating.	0.97	0.90	0.90
Funding by Source:			
Grant and Reimbursable	\$48,865,387	\$70,937,330	\$68,383,000
Total:	\$48,865,387	\$70,937,330	\$68,383,000

department has consistently received high ratings for the Housing Authority (see Figure 4). Federally-funded housing authority and rent assistance programs will make up 82.4% of the resources administered by DCD in 2001. Non-city funding of \$68.4 million will support this objective in 2001.

PROGRAMS AND ACTIVITIES

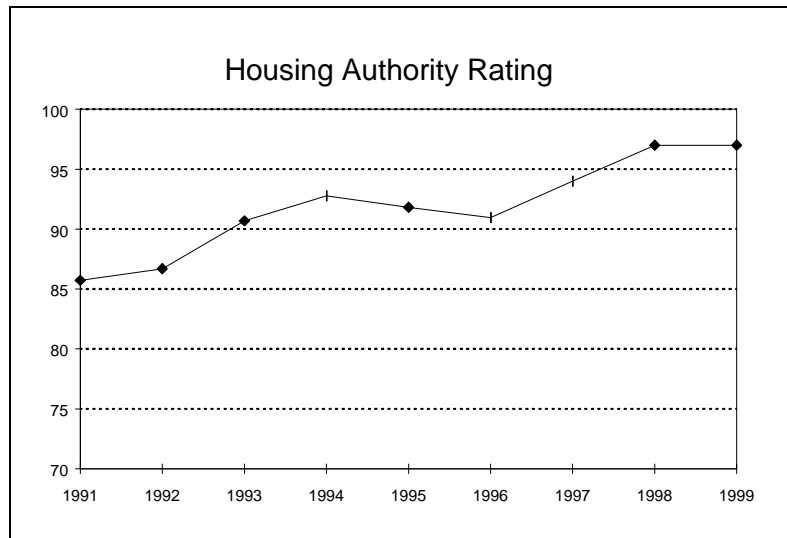
- Lease, maintain, and improve public housing units
- Issue and renew rent assistance certificates and vouchers
- Inspect privately-owned housing units for rent assistance contracts
- Increase the self-sufficiency of residents through partnerships with other organizations

The Housing Authority has developed a number of award-winning programs that focus on the development of healthy communities, which provide safe environments for families and their children. It measures the impact of its programs by looking at changes in property values, educational levels and income. The budget reflects five major initiatives: 1) employment, 2) home ownership, 3) public safety, 4) health care services, and 5) physical improvements to ensure the long-term viability of city housing.

Employment: To help residents obtain and retain family-supporting jobs, the authority has two resident employment coordinators who work very closely with the W-2 coordinating agencies to ensure that residents do not “fall through the cracks”. Between January 1999 and January 2000, there was a 9% increase in public housing residents’ income from wages, from \$17.7 million to \$19.2 million. Given steady economic conditions, further improvements are expected in 2001.

In addition to providing employment-related services, the Housing Authority reviews federal policies and works with elected officials to remove any disincentives to employment. The authority adopted ceiling rents and income disregards to encourage residents to work and stay in public housing. The income disregard means that families do not pay higher rents each time their earnings increase. Minimum rents were increased from \$25/month to \$50/month to discourage residents from leaving a job and returning to welfare.

Figure 4



Home Ownership: Since 1994, the Housing Authority has helped 115 of its residents purchase their own homes. Fifty-six of these residents purchased their home as part of HACM’s 5(h) program, which is a HUD-approved program for selling scattered sites. HACM staff helped another 59 residents purchase homes in the private market. HACM has taken applications from 836 residents interested in its home-ownership program. HACM recently received HUD approval to sell 90 additional scattered sites homes.

Public Safety: HACM has a high-quality in-house public safety program, headed by a former command officer in the Milwaukee Police Department. The staff of 22 includes one of the most experienced detectives from the Milwaukee Police Department’s Drug Enforcement Squad. The addition of these two highly qualified employees has facilitated collaborative initiatives with Milwaukee County, the State of Wisconsin, the U.S. Drug Enforcement Agency and the U.S. Department of Justice. In 1999, HACM partnered with the Milwaukee Police Department to close down 47 drug houses in public housing. During 1999, HACM’s public safety staff saved Milwaukee taxpayers over \$750,000 by responding to lower priority calls to the Milwaukee Police Department and the Milwaukee Fire Department.

Health Care: The Housing Authority has a partnership with Milwaukee County, S.E.T. Ministry, Community Care for the Elderly and St. Mary’s Hospital, through which comprehensive services are provided to the elderly at Lapham Park to help them age-in-place. The Lapham Park high rise is the first assisted living community in a public housing development

in the State of Wisconsin and is a viable alternative to nursing home care. During 1999, this partnership saved over \$1 million in nursing home care. This model is being considered for replication at other HACM sites as well as other locations throughout the country.

Physical Improvements: The Housing Authority is fortunate to have received funding from the U.S. Department of Housing and Urban Development to revitalize Hillside Terrace and Parklawn, both of which needed extensive renovation. The revitalization of these family developments included a reduction in both the density and the physical and social isolation of these communities, which are being reconnected to the surrounding neighborhoods. Renovation work at Hillside Terrace concluded in 1999 and the revitalization of Parklawn will be completed at the end of 2001. All of the demolition at Parklawn is completed and 30% of the remodeling is done. Work on the new roadways will begin in 2000 and by the end of the year, 60% of the revitalization at Parklawn should be completed. The Parklawn revitalization also includes the construction of a Family Investment Center,

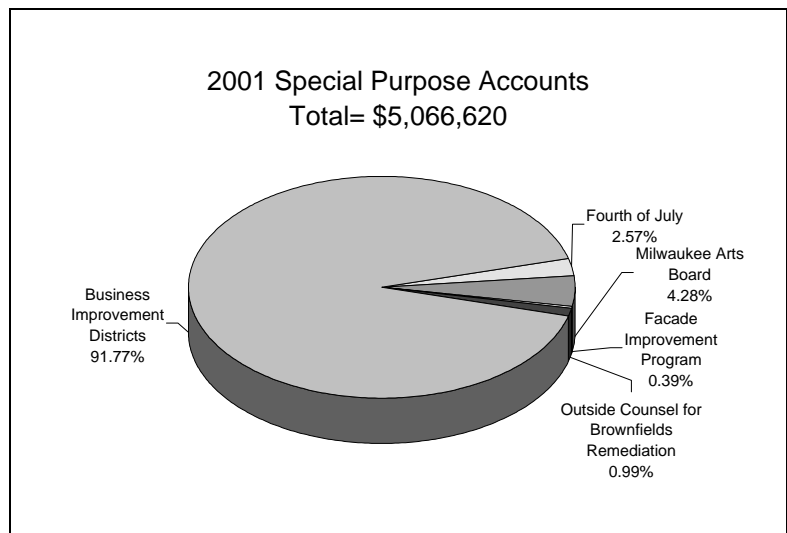
which will house the Central City Cyberschool, a city-chartered elementary school for 400 students in grades one through eight. The Cyberschool is being built in partnership with Johnson Controls and is based on "anytime, anywhere learning". During 2001, all of the revitalization work will be completed, including the construction of 20 new single-family homes.

Last year, HACM received a tax credit allocation to revitalize the Lapham Park Family Development and in 2000 submitted a Hope VI application to the U.S. Department of Housing and Urban Development. HACM is also renovating the basement of the Lapham Park high rise to provide the infrastructure needed for an assisted living community. HACM has \$850,000, which includes contributions from both the public and private sectors, to complete this \$1 million high rise renovation by the end of the year. HACM would like to revitalize Highland Park within the next five years. All of this revitalization is being done without any local tax dollars.

SPECIAL PURPOSE ACCOUNTS

In 2001, DCD will oversee the administration of \$5,066,620 in special purpose accounts. The majority of these funds, \$4,649,620, relate to Business Improvement Districts. DCD also administers the special purpose accounts shown in Figure 5. These accounts include the Fourth of July Committee (\$130,000), Milwaukee Arts Board (\$217,000), Outside Council for Brownfields Remediation (\$50,000), and the Facade Improvement Program (\$20,000) special purpose accounts. In addition to the above, DCD's operating budget includes \$102,900 to market Milwaukee as a business location. This funding is supplemented by \$25,000 in the Economic Development Committee special purpose account.

Figure 5



CAPITAL IMPROVEMENTS

In addition to the resources described above, DCD will be responsible for administering \$24.2 million in capital financing. The department's capital budget

reflects an increase of \$13.4 million from 2000 levels. Table 1 provides a summary of DCD's 2000 and 2001 capital budgets.

Table 1

Tax Incremental Financing: As indicated in Table 1, the use of Tax Incremental Financing (TIF) will continue to support much of the department's capital spending. The city has established a total of 42 TIDs, 31 of which are currently active. Borrowing authority provided in the 2001 budget will finance existing TIF projects, provide funding for projects currently in the initial stages of planning, and allow for the city's involvement in potential developments under discussion.

Department of City Development Summary of Capital Funds		
Account Description	2000 Capital Budget	2001 Capital Budget
Advance Planning Fund	\$150,000	\$150,000
Neighborhood Commercial District	500,000	500,000
Business Improvement District Capital	500,000	500,000
Tax Incremental Districts	8,000,000	20,500,000
Development Fund	1,700,000	2,550,000
Total City Funding:	\$10,850,000	\$24,200,000

OTHER CHANGES

Funding for DCD Positions: DCD is working to better align the duties performed by its staff with the appropriate funding source. In 2001, eight additional

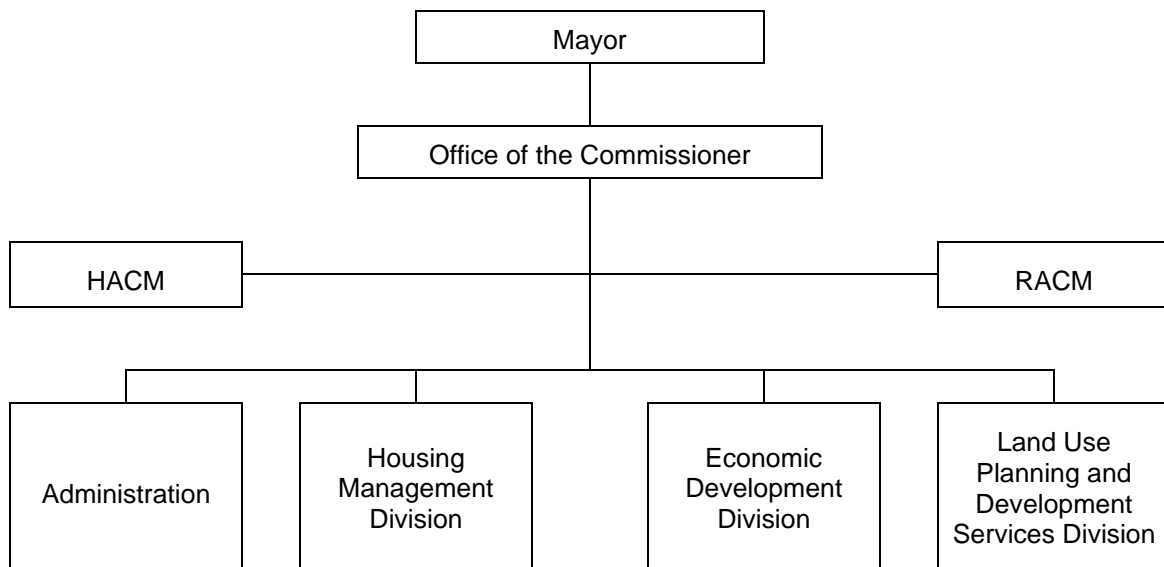
positions will be funded with non-tax levy dollars. The total budget savings is \$239,473.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	64.64	68.35	60.86	-7.49
FTEs - Other	188.18	211.63	204.85	-6.78
Total Positions Authorized	838	300	287	-13
DLH - Operations and Maintenance	118,702	120,942	109,548	-11,394
DLH - Other Funds	338,724	385,452	368,730	-16,722
EXPENDITURES				
Salaries and Wages	\$2,944,163	\$2,757,732	\$2,709,337	\$-48,395
Fringe Benefits	859,158	882,666	900,681	18,015
Operating Expenditures	731,911	814,796	786,557	-28,239
Equipment	21,859	0	0	0
Special Funds	<u>147,574</u>	<u>105,000</u>	<u>102,900</u>	<u>-2,100</u>
TOTAL	\$4,704,665	\$4,560,194	\$4,499,475	\$-60,719
REVENUES				
Charges for Services	\$2,962,021	\$392,000	\$4,641,019	\$4,249,019
Licenses and Permits	47,000	1,635,000	914,600	-720,400
Miscellaneous	<u>1,347,784</u>	<u>650,000</u>	<u>0</u>	<u>-650,000</u>
TOTAL	\$4,356,805	\$2,677,000	\$5,555,619	\$2,878,619

CAPITAL PROJECTS - Include \$24,200,000 for the following:

- | | |
|-------------------------------------|--------------|
| a. Advance Planning Fund | \$150,000 |
| b. Tax Incremental Districts | \$20,500,000 |
| c. Development Fund | \$2,550,000 |
| d. Business Improvement Districts | \$500,000 |
| e. Neighborhood Commercial District | \$500,000 |
| Street Improvement Fund | |

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
General Management and Policy Development Decision Unit			
-1	-1.00	Neighborhood Economic Dev Coord (Operating Funding \$-47,346)	Position replaced by the addition of a Neighborhood Development Specialist.
-1	-1.00	Clerk Stenographer (Non-Operating Funding \$-29,049)	Reclassifications.
1	1.00	Database Specialist (Non-Operating Funding \$32,885)	
1	1.00	Business Systems Supervisor (Non-Operating Funding \$63,245)	
-1	-1.00	Information System Services Mgr (Non-Operating Funding \$-56,486)	
1	1.00	Network Coordinator - Senior (Non-Operating Funding \$54,985)	
-1	-1.00	Micro Computer Coordinator - Senior (Non-Operating Funding \$-48,173)	
-1	-1.00	Systems Support Specialist - Senior (Non-Operating Funding \$-48,173)	
-1	-1.00	Service Center Coordinator (Non-Operating Funding \$-33 010)	
1	1.00	Office Assistant III (Non-Operating Funding \$27,931)	Reclassification of position to better reflect job duties.
-1	-1.00	Program Monitor (Non-Operating Funding \$-51,354)	
1	1.00	Budget and Mgmt Analyst - Lead (Non-Operating Funding \$53,954)	
1	1.00	Neighborhood Development Spec (Operating Funding \$43,053)	Position replaces a Neighborhood Economic Development Coordinator position.
-1	-1.00	Management Accounting Specialist (Operating Funding \$-51,354)	Moved to HACM.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
0	-0.50	Real Estate Analyst - Senior (Operating Funding \$-24,087)	Change reflects additional work performed by private contractors. Auxiliary position authority retained.
	-0.50	(Non-Operating Funding \$-24,087)	
0	-1.00	Real Estate Specialist (Non-Operating Funding \$-41,070)	
0	-0.70	Economic Development Specialist (Operating Funding \$-31,145)	
	0.70	(Non-Operating Funding \$31,145)	
0	0.50	Small Business Development Officer (Operating Funding \$30,644)	
	-0.50	(Non-Operating Funding \$-30,644)	
0	-0.50	Graduate Intern (Operating Funding \$-9,630)	Shift in funding sources.
	0.50	(Non-Operating Funding \$9,630)	
0	-1.00	Administrative Assistant I (Operating Funding \$-30,446)	
	1.00	(Non-Operating Funding \$30,446)	
0	-1.00	Administrative Assistant II (Operating Funding \$-30,446)	
	1.00	(Non-Operating Funding \$30,446)	
0	-1.00	Neighborhood Develop Analyst - Sr (Operating Funding \$-43,795)	
	1.00	(Non-Operating Funding \$43,795)	
0	2.52	Experience Adjustment (Non-Operating Funding \$0)	
0	-0.40	Vacancy Adjustment (Operating Funding \$-21,588)	Reduction in funding due to higher vacancies.
Public Housing Programs Decision Unit			
1	1.00	Office Assistant IV (Non-Operating Funding \$34,272)	Change in funding for public housing programs.
-1	-1.00	Administrative Assistant I (Non-Operating Funding \$-29,049)	
-1	-1.00	Housing Manager II (Non-Operating Funding \$-42,674)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Accounting Assistant II (Non-Operating Funding \$-33,010)	Change in funding for public housing programs.
-1	-1.00	Area Operations Manager (Non-Operating Funding \$-44,402)	
-1	-1.00	Housing Manager III (Non-Operating Funding \$-48,754)	
-3	-3.00	Office Assistant III (Non-Operating Funding \$-87,793)	
-1	-1.00	Inventory Control Assistant III (Non-Operating Funding \$-27,513)	
-1	-1.00	Resident Liaison (Non-Operating Funding \$-39,146)	
-1	-1.00	Rent Assistance Specialist III (Non-Operating Funding \$42,911)	
-1	-1.00	Project Analyst (Non-Operating Funding \$32,279)	
Community Planning and Development Services Decision Unit			
0	-0.50 0.50	Office Assistant III (0.5 FTE) (Operating Funding \$-12,013) (Non-Operating Funding \$12,013)	Shift in funding source.
0	-1.39	Vacancy Adjustment (Operating Funding \$-41,588)	Reduction in funding due to higher vacancies.
-13	-14.27	TOTAL	

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE (HACM)

NOTE: The budget of this agency is not under control of the Common Council. This information is being provided to portray more fully the activities administered by the Department of City Development.

The Housing Authority of the City of Milwaukee (HACM) is responsible for construction, management, and provision of safe, affordable, and quality housing with services that enhance residents' self-sufficiency. A seven-member board of commissioners administers HACM. Members are appointed for staggered terms by the Mayor and confirmed by the Common Council.

ACTIVITIES

- Low-rent public housing management
- Rent Assistance Program (Section 8)
- Housing development and rehabilitation
- Veterans' housing
- Homeownership and self-sufficiency services

Table 1 provides an illustration of funding levels of various programs operated by the Housing Authority.

Federal Budget: HACM's principal funding source is the Federal Government through various programs administered by the Department of Housing and Urban Development (HUD). HUD provides an operating subsidy to make up the difference between the cost of managing public housing and the revenues received from 30% of resident's income. The Housing Authority anticipates additional reductions in future federal funding as Congress and the Administration move to adjust spending to meet federal budget caps.

Partnerships: The Housing Authority works in partnership with community-based organizations to maximize public and private sector funding. S.E.T. Ministry provides case management services for elderly and disabled persons in the high rise developments. Each of the five family developments also has

at least one on-site social service provider. These service providers include the Boys and Girls Club, Right Alternative Family Service Center, Silver Spring Neighborhood Center, and the YMCA. The Housing Authority also operates the Family Resource Center at Hillside Terrace, which houses services provided by the Black Health Coalition, Day Care Services for Children, Inc., and MATC. The Housing Authority continues to work with Milwaukee County, the Private Industry Council, and the W-2 coordinating agencies to help public housing residents successfully transition from welfare to work.

Table 1

HOUSING AUTHORITY PROGRAMS AND FUNDING		
PUBLIC HOUSING PROGRAM	2000 FUNDING	2001 ESTIMATED FUNDING LEVEL
1. LOW INCOME HOUSING		
Rental Income and Reserves	\$11,916,500	\$11,917,000
Federal Operating Subsidy	7,564,140	7,564,000
Subtotal:	\$19,480,640	\$19,481,000
2. COMP Grant	\$7,000,000	\$7,000,000
3. URBAN REVITALIZATION (HOPE VI)		
Lapham	\$1,976,000	\$3,400,000
Parklawn	\$12,000,000	\$16,000,000
4. RENT ASSISTANCE PROGRAM	\$20,000,000	\$19,000,000
5. VETERAN'S HOUSING	\$3,502,370	\$3,502,000
Total:	\$63,959,010	\$68,383,000

Revitalization Funds: HACM revitalized Hillside Terrace with a \$44 million grant from HUD and is in the process of revitalizing Parklawn with a \$35 million HUD grant. HACM received tax credits for the revitalization of the Lapham Park family development and recently submitted an \$11 million Hope VI grant to HUD. HACM is currently renovating the Lapham Park high rise to create a low-income assisted living community using approximately \$1 million in private and public sector funding.

REDEVELOPMENT AUTHORITY OF THE CITY OF MILWAUKEE (RACM)

NOTE: The budget of this agency is not under control of the Common Council. This information is being provided to give a complete picture of the activities administered by the Department of City Development

The Redevelopment Authority is an independent corporation created by state statute in 1958 and derives its powers solely from state law. The Redevelopment Authority's discreet relationship with the City of Milwaukee is more particularly described in the 1998 audited financial statements of the Authority, which are appended hereto.

A board whose members are appointed by the Mayor and confirmed by the Common Council oversees the affairs of the Redevelopment Authority. The Redevelopment Authority relies upon the Department of City Development for the professional, technical and administrative support necessary to carry out its mission. This is accomplished through an annual cooperation agreement with the City of Milwaukee, with operating funds provided through the City's CDBG Program for:

- Management of financial affairs
- Land use planning and urban design guidance
- Real estate acquisition and disposition
- Relocation assistance for displaced families and businesses
- Property management and environmental investigation
- Housing and economic development project management

The mission of the Redevelopment Authority is to eliminate blighting conditions that inhibit neighborhood reinvestment; foster and promote business expansion and job creation; and facilitate new business and housing development. Toward that end, the Redevelopment Authority:

The Redevelopment Authority had assets totaling more than \$63.2 million as of December 31, 1998, but with an equal corresponding liability (outstanding

loans, bonds and other obligations). This includes an inventory of real estate being held for development with a gross value of approximately \$7 million.

The Redevelopment Authority is expert in the field of economic development. Over the years, it has issued bonds in excess of \$500 million to leverage and support private investments. It has participated directly in the planning, design and development of retail and cultural centers, business parks, residential subdivisions and stand-alone commercial ventures.

The following are some representative examples of the types of projects and activities administered by the Redevelopment Authority in cooperation with the Department of City Development:

- Assemblage and sale of land, Tax Increment District (TID) loan administration and the issuance of bonds for the construction of offices and institutional facilities, affordable rental and owner occupied housing, and for retail projects.
- Publication of RFPs for the purchase and renovation of historic structures in such neighborhoods as King Drive, Brewer's Hill, Walker's Point, Concordia and Cold Spring Park.
- Capital investment and continued participation in the Housing Partnership Corporation revolving loan fund for below-market rate loans to non-profit organizations for affordable housing production.
- Preparation of comprehensive plans to guide future development in the Menomonee River Valley, Midtown and Beerline areas.
- Miscellaneous bond transactions for business recruitment, retention and expansion in locations throughout the city for real estate purchase, facility construction and equipment.

MILWAUKEE ECONOMIC DEVELOPMENT CORPORATION (MEDC)

NOTE: The budget of this agency is not under control of the Common Council. This information is being provided to give a complete picture of the activities administered by the Department of City Development.

The Milwaukee Economic Development Corporation (MEDC) is a non-stock, non-profit organization formed in 1971 to promote economic development for the benefit of the citizens of the City of Milwaukee. The principal objective of the corporation is to benefit the community by fostering the increase of employment opportunities and expansion of business and industry within the metropolitan Milwaukee area. The corporation uses its own funds to finance projects to achieve that objective. The corporation is exempt from federal and state income taxes under a provision of Section 501(c)(3) of the Internal Revenue Code.

A 17-member board of directors consisting of the Mayor, the Comptroller, the President of the Common Council, 2 council members, and 13 representatives of the business community oversees MEDC's activities. MEDC's board has delegated authority for policy actions to its Executive Committee that consists of the Mayor, the Comptroller, the President of the Common Council, one council member, and six representatives of the business community.

Most staffing and other services are provided to MEDC by the city through the Department of City Development under a service agreement that is reviewed periodically by the Common Council and MEDC. The Development Corporation reimburses the city for personnel and resources provided to the corporation under this agreement. Total assets of MEDC in 1999 were \$46.4 million.

MEDC uses its resources, as well as those of the Small Business Administration, to make financing available to businesses promising to create job opportunities and new investment in Milwaukee. The programs available through MEDC are as follows:

SBA 504 Debenture Guaranty: Through this program, eligible businesses can receive second mortgage funds for 40% - 45% (up to \$1,000,000) of a project's total cost. This program has been used effec-

tively to assist fixed-asset projects ranging in size from \$400,000 up to \$2 million.

Second Mortgage Program: This program is used primarily to assist in providing second mortgage financing for small businesses expanding or locating in the City of Milwaukee. Funds for up to 25% (\$300,000 - \$500,000) of the total cost of a fixed-asset project are available. A 10% equity injection is required.

Land Development Program: MEDC uses some of its funds to acquire, improve, develop, and market industrial sites to promote economic development. Revenues are derived from the sale, lease, or rental of land holdings from which the expenses of administering the program and maintaining properties are paid. MEDC initiated its activities under this program by investing in 1998 in a 64-acre business park.

Target Loan Program: This program was designed to aid start-up and existing businesses in obtaining conventional bank funds or SBA-guaranteed bank funds to undertake a business project. Low-cost loans are made available for up to 40% of a project's total cost (not to exceed \$300,000). The program is available to all minority, women, and disadvantaged business owners and all businesses located in the Community Block Grant area.

Partnership Loan Program: The Partnership Loan Program is MEDC's most flexible program. Under this program, the corporation will invest or lend in partnership with a venture capitalist and asset-based lender.

Capital Access Program (CAP): MEDC began this program in 1992 to provide access to private capital for small businesses. MEDC, the State of Wisconsin, and the City of Milwaukee fund the program. CAP is structured as a public/private loan portfolio reserve program. Most loans range from \$10,000 to \$50,000.

COMMON COUNCIL-CITY CLERK

EXECUTIVE SUMMARY

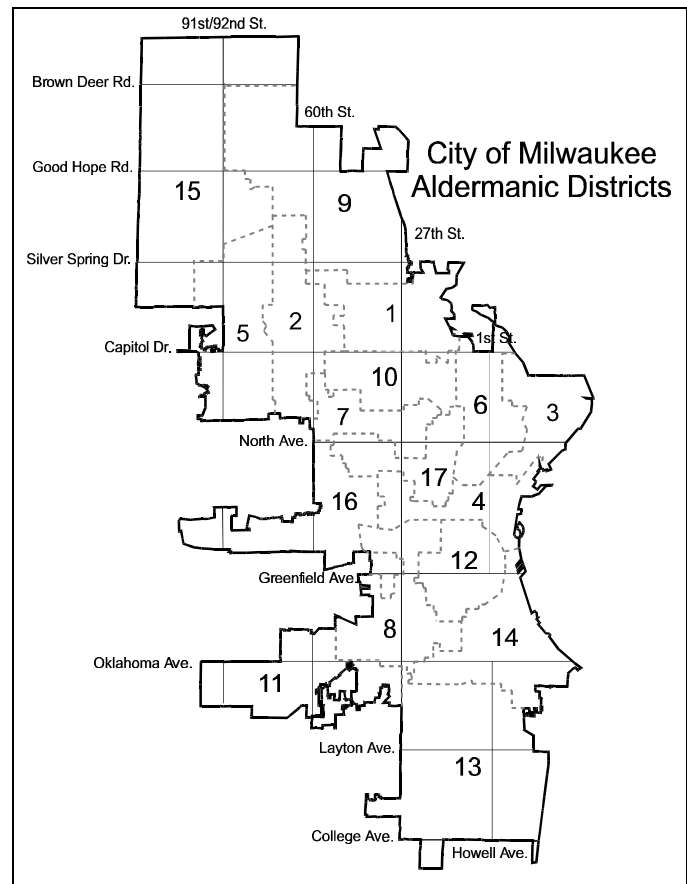
MISSION:	To establish city policy and law, oversee the administration of city government, adopt an annual budget, ensure the delivery of services to constituents, and provide public information about city government.
STRATEGIC ISSUES:	<p>Perform the legislative function by conducting Common Council and committee meetings, providing meeting and research support services, administering licensing functions and administering the city's cable television franchise.</p> <p>Ensure the delivery of city services to constituents by responding to requests for service and addressing neighborhood issues.</p> <p>Deliver information about the operation of city government by providing access to and disseminating official documents and records of city government, conducting public relations activities, and by television programming.</p>
INITIATIVES FOR 2001:	Redistrict election wards and aldermanic districts. Develop a citywide constituent tracking system.

BACKGROUND

The Common Council City Clerk's Office constitutes the legislative branch of city government. The Council consists of 17 members, representing separate districts, who are elected for four-year terms. The next election is in the spring of 2004. The City Clerk's Office supports the activities of the Council and general operations of city government. It is comprised of the Central Administration Unit, the Council Services Division, the Legislative Reference Bureau, and the License Division.

Central Administration staff assists Council members in their work with constituents. The Council Services Division provides a diverse range of support to Council members, from staffing Council committees to maintaining operations of the city's cable television channel. The Legislative Reference Bureau staff author and analyze legislative initiatives; review and make recommendations on fiscal matters; and maintain a library of books, reports, periodicals, newspapers, and online databases. The License Division administers the Common Council's licensing operations, including liquor, cigarette, bartender, and public passenger vehicle licenses.

Figure 1



OBJECTIVE 1

Perform the legislative, constituent service, and public information functions of the Common Council and City Clerk's Office effectively and efficiently.

OUTCOME HISTORY

The 2001 budget for the Common Council City Clerk's Office totals \$7,740,757, which allows it to carry out the objectives of legislative activity, constituent services support, and public information. Salaries and fringe benefit costs represent 82% of allocated funds.

Program Result Measures: The Office of the City Clerk has not created management indicators to evaluate operational efficiency and impact. The City Clerk will continue to evaluate its programs in 2001 and develop measures for 2002.

ACTIVITIES**Common Council:**

- Conduct regular and special council and committee meetings
- Adopt resolutions, ordinances and motions
- Confirm appointments
- Grant licenses
- Adopt an annual city budget
- Respond to numerous requests for service and information from individual constituents and neighborhood organizations
- Ensure that city services are being adequately provided to districts

City Clerk's Office:

- Keep official records of all council business
- Issue agendas, minutes, hearing notices, and other documents in support of council business
- Produce and distribute the official copy of the City Charter and Code of Ordinances to city departments and the public
- Provide general research, fiscal research, budget analysis, and legislative drafting services to the Council
- Administer over 100 types of licenses which are granted by the Council

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
None.	N/A	N/A	N/A
Funding by Source:			
Operating Funds	\$6,890,587	\$7,100,688	\$7,249,557
Grant and Reimbursable	38,739	43,124	56,600
Special Purpose Accts.	288,871	365,560	434,600
Total:	\$7,218,197	\$7,509,372	\$7,740,757

- Support Council service-delivery efforts by providing constituent support staff and staff assigned to investigate and resolve neighborhood concerns
- Publicize Common Council business by official notices and cable television broadcast and by press releases and newsletters issued by individual council members
- Operate the city cable television channel
- Produce newsletters, press releases, and other city publications
- Operate a reference library for use by all city departments and the public
- Administer the city's cable television agreement

PROGRAM CHANGES

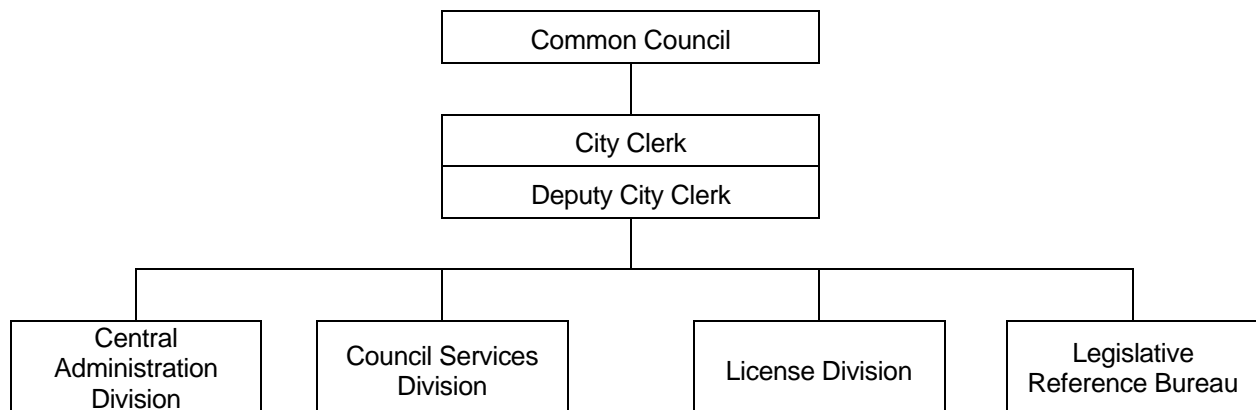
Position Changes: The 2001 budget eliminates the Communications Policy Coordinator position. This position was responsible for negotiating and monitoring the city's Warner Cable franchise agreement. The elimination of this position will reduce the City Clerk's budget by \$65,308.

Two other positions were reclassified. The Micro-computer Specialist, pay grade 5, was re-titled Council Network Analyst, pay grade 5, while the Automated Systems Specialist position, pay grade 6, was reclassified to Council Network Administrator, pay grade 7.

All of the position changes combined reduce the City Clerk's 2001 budget by \$61,524.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	100.32	105.50	103.39	-2.11
FTEs - Other	0.77	1.00	1.00	0.00
Total Positions Authorized	109	110	109	-1
DLH - Operations and Maintenance	180,581	189,900	184,338	-5,562
DLH - Other Funds	1,391	1,800	1,800	0
EXPENDITURES				
Salaries and Wages	\$4,325,026	\$4,484,986	\$4,482,112	\$-2,874
Fringe Benefits	1,344,647	1,435,196	1,479,097	43,901
Operating Expenditures	893,319	918,963	937,214	18,251
Equipment	56,597	88,300	103,650	15,350
Special Funds	<u>270,998</u>	<u>173,243</u>	<u>247,484</u>	<u>74,241</u>
TOTAL	\$6,890,587	\$7,100,688	\$7,249,557	\$148,869
REVENUES				
Charges for Services	\$21,747	\$13,115	\$24,500	\$11,385
Licenses and Permits	1,382,366	1,421,800	1,376,500	-45,300
Miscellaneous	<u>0</u>	<u>8,385</u>	<u>0</u>	<u>-8,385</u>
TOTAL	\$1,404,113	\$1,443,300	\$1,401,000	\$-42,300

CAPITAL PROJECTS - None**ORGANIZATION CHART**

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Automated Systems Specialist (Operating Funding \$-54,732)	Position reclassified.
1	1.00	Council Network Administrator (Operating Funding \$61,287)	
-1	-1.00	Microcomputer Specialist (Operating Funding \$-38,391)	
1	1.00	Council Network Analyst (Operating Funding \$41,700)	
-1	-1.00	Communications Policy Coordinator (Operating Funding \$-65,308)	
0	-1.11	Various positions	Reflects projected vacancy level increase.
-1	-2.11	Total	

COMPTROLLER

EXECUTIVE SUMMARY

MISSION:	To fulfill the responsibilities of the independently elected Comptroller of the City of Milwaukee.
STRATEGIC ISSUES:	<p>Develop, refine, and encourage adherence to financial policies which promote and support the city's sound fiscal health, safeguard the city's assets, and maintain the city's bond ratings.</p> <p>Provide independent and objective analyses of major financial issues facing the city and its government.</p> <p>Audit, develop, enhance, maintain, and support financial, operational, and/or reporting systems to ensure integrity of financial operations, reliability and timeliness of financial information, and adherence to laws and regulations.</p> <p>Develop revenue projections to ensure appropriate estimates of non-property tax resources.</p> <p>Coordinate and monitor financial activity of grantees to ensure compliance with grantor agency requirements.</p> <p>Perform critical review of diverse financial transactions affecting the centralized accounting system to ensure consistency with accounting standards, appropriation authority, and internal controls.</p>
INITIATIVES FOR 2001:	Continue to improve the city's financial system and processes.

BACKGROUND

The City of Milwaukee Comptroller is an elected official whose duties include administration of city financial activities, such as general accounting, payroll, debt issuance and management, and auditing. The Comptroller also provides general oversight of city activities to ensure compliance with generally accepted accounting principals (GAAP) and various other regulations imposed by city ordinance, state law, or grant contract.

The Comptroller advises other city policymakers on financial matters involving the city. The Comptroller,

his deputy, and his special deputies provide leadership and representation to city-sponsored committees and various projects including the following: Community Development Block Grant (CDBG) Policy Committee, the Wisconsin Center District Board, the Charter School Review Committee, the Pension Board, Pabst Theater Board, City Records Committee, Milwaukee Economic Development Committee (MEDC), Summerfest, Central Board of Purchases, the Public Debt Commission, and the Deferred Compensation Board.

OBJECTIVE 1

Ensure that the financial operations of the city are in compliance with federal, state, and local

requirements, and that the city can meet its financial obligations in an efficient, accurate, and timely manner.

OUTCOME HISTORY

Maintaining the city's current bond rating is important; the city would face significantly higher interest rates if its rating was lower. A higher bond rating lowers the cost of borrowing to the city, producing savings to taxpayers. The city has maintained its AA+ rating with two of its bond rating agencies. Unfortunately, the third agency, Moody's reduced the city bond rating from AA1 to AA2. Continuing flat State Shared Revenues were cited by Moody's as the major reason for the rating change.

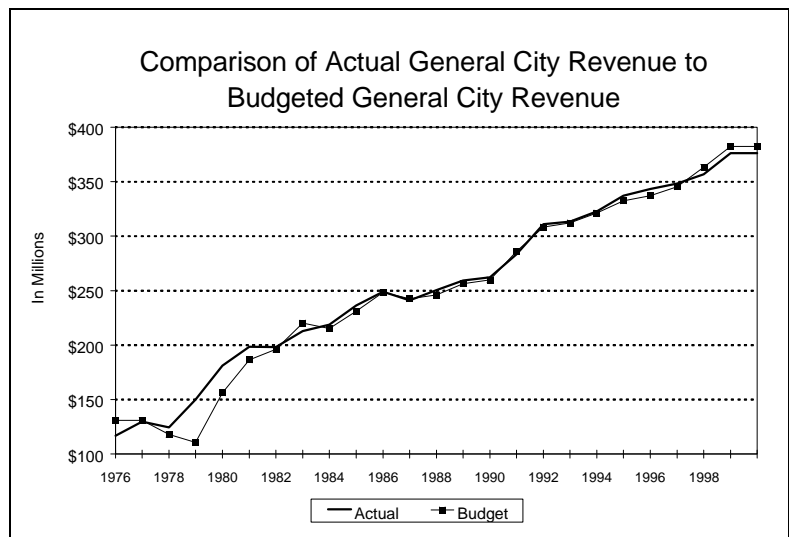
Debt management issues, including proper use of debt reserves and capital financing policies, are seen as a means to maintain the city's bond rating. In fact, the city has fared well in recent bond sales. In a debt issuance in the spring of 2000, the city received interest rates that were only fractionally different from those received by the city when its rating was AA1. More information on debt management is provided in the section entitled "City Debt".

A measure that reflects the department's success at fulfilling its financial responsibilities is the accuracy of its revenue projections. As shown in Figure 1, with the exception of 1998, the Comptroller has estimated revenues within 2% of actual revenues received in every year since 1981. These precise estimates help the city set sound budgetary policy. Accurate revenue projections also allow the city to prepare more effective financial statements and produce financial reports that demonstrate its fiscal strength. Additional information on revenues can be found in the "Sources of Funds for General City Purposes" section. The Comptroller's Office will dedicate

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Accuracy of Revenue Est.	98.20%	100.00%	100.00%
Bond Rating (S&P)	AA+	AA+	AA+
Funding by Source:			
Operating Funds	\$1,121,959	\$992,648	\$1,070,610
Grant and Reimbursable	9,647	0	0
Total:	\$1,131,606	\$992,648	\$1,070,610

Figure 1



approximately \$1.1 million to accomplishing this objective in 2001.

ACTIVITIES

- Auditing
- Revenue estimates
- Review economic development projects

OBJECTIVE 2

Maintain the city's official accounting records in such a way as to ensure accuracy, efficiency, and reliability.

OUTCOME HISTORY

Accounting records play an important role in the operations of an organization. Without reliable information on accounts payable, accounts receivable,

and payroll, the city could not meet its obligations; bills would go unpaid; city employees would not receive paychecks; and important services could not be provided.

Reliable accounting records help the city determine its present financial position. They also serve to guide its future direction. Yet, despite the importance of maintaining accurate account information, it

is difficult to measure the effect of such records separately. Timely, reliable, and accurate accounting records are essential to delivery of important public services such as garbage collection and public health services. Systematic audit of the accounting system warrants against failures in important information by ensuring that accurate accounting records are being kept. In 2001, approximately \$3.7 million will be allocated to this objective.

ACTIVITIES

- General accounting
- Payroll administration
- Oversight of federal, state, and other financial assistance
- Coordination of the city's financial operations and systems

PROGRAM CHANGES

Payroll/FMIS: With the FMIS System implemented, the department was able to eliminate the position FMIS Director and replace it with an Accounting Systems Specialist. This new position will be respon-

sible for maintenance of the functionality of the FMIS with two Program Managers. With the completion of the transition from implementation to operation, system direction is now provided by ITMD.

Even though the FMIS has been implemented, several functions, such as, payroll, have not yet experienced any anticipated efficiencies originally expected. A combination of a new system and a complex city payroll has created the need for a new position of Assistant Payroll Manager. The net budgetary saving of these changes is \$36,806 (excluding fringe benefits).

OTHER ACTIVITIES AND CHANGES

Special Purpose Accounts: The Comptroller's Office is responsible for several special purpose accounts that are not defined in any of their objectives. These accounts total \$3.3 million, of which \$1.2 million is offset by revenue. Three special purpose accounts make up \$3.0 million of the \$3.3 million. These are the Reserve for the 27th Payroll (\$1.8 million), excess TID #19 (\$0.5 million) and the Contribution Fund

(\$0.675 million). Funding of \$1,820,000, an increase of \$155,000, is included in the 27th Payroll Account to accrue the cost of two leap years (2000 and 2005). Funding for excess TID #19 funds is to close out TID #19. Revenues of \$700,000 are anticipated. Additional information on these special accounts can be found in the "Special Purpose Accounts - Miscellaneous" section.

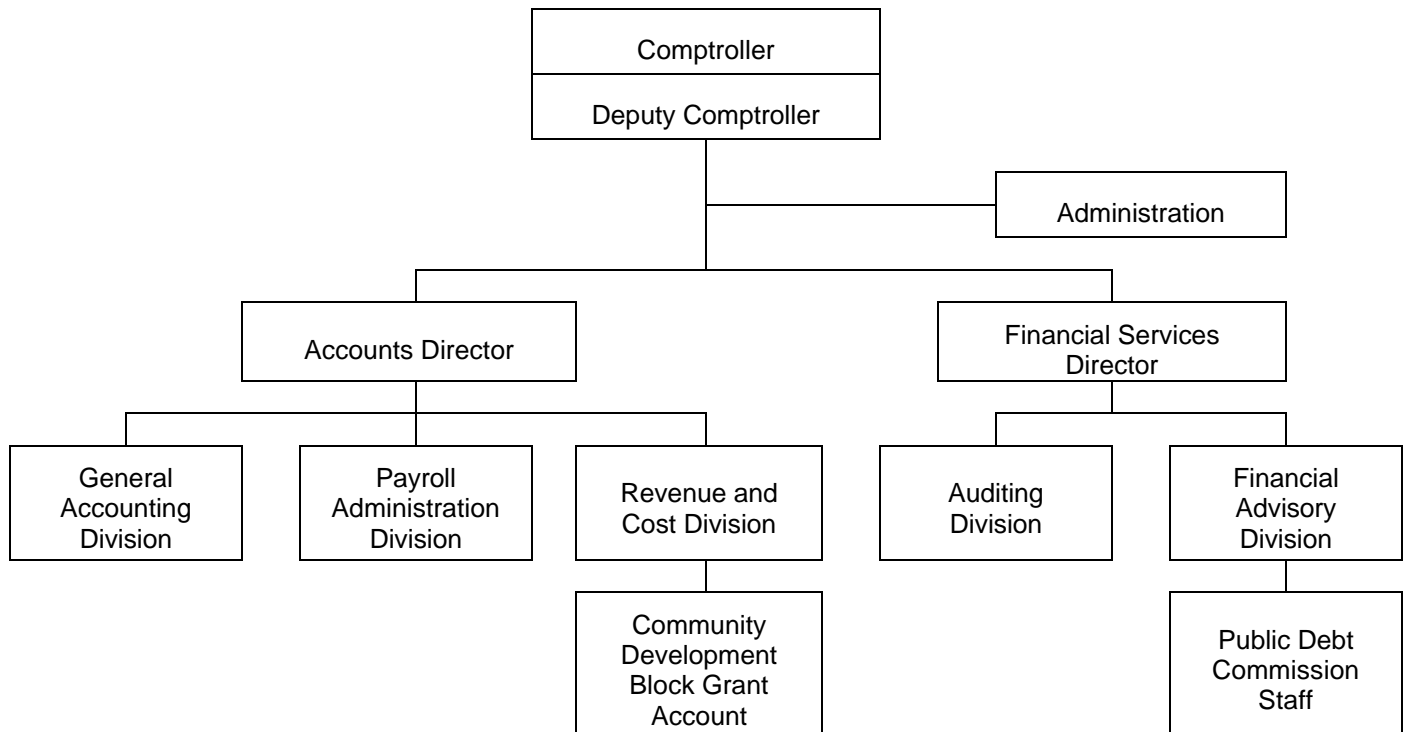
Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Unqualified audit opinion by the city's outside auditor.	Yes	Yes	Yes
Funding by Source:			
Operating Funds	\$3,244,670	\$3,093,144	\$3,182,495
Grant and Reimbursable	3,398,553	376,470	573,114
Total:	\$6,643,223	\$3,469,614	\$3,755,609

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	46.53	54.50	56.07	1.57
FTEs - Other	14.87	9.00	10.93	1.93
Total Positions Authorized	73	67	68	1
DLH - Operations and Maintenance	83,754	97,158	99,914	2,756
DLH - Other Funds	26,759	16,433	19,674	3,241
EXPENDITURES				
Salaries and Wages	\$2,161,856	\$2,443,317	\$2,520,352	\$77,035
Fringe Benefits	658,824	781,861	831,716	49,855
Operating Expenditures	1,237,356	811,114	793,027	-18,087
Equipment	0	0	59,500	59,500
Special Funds	<u>308,593</u>	<u>49,500</u>	<u>48,510</u>	<u>-990</u>
TOTAL	\$4,366,629	\$4,085,792	\$4,253,105	\$167,313
REVENUES				
Charges for Services	<u>\$196,446</u>	<u>\$176,400</u>	<u>\$100,000</u>	<u>\$-76,400</u>
TOTAL	\$196,446	\$176,400	\$100,000	\$-76,400

CAPITAL PROJECTS - None

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Financial Systems Director (Operating Funding \$-95,806)	Project direction with ITMD.
1	1.00	Assistant Payroll Manager (Operating Funding \$59,000)	To assist in payroll processing.
1	1.00	Accounting Systems Specialist (Operating Funding \$46,297)	To assist in maintaining the FMIS.
		Miscellaneous	Experience adjustment.
0	0.57	(Operating Funding \$25,640)	
0	1.93	(Grant and Aid Funding \$53,887)	
1	3.50	TOTAL	

MUNICIPAL COURT

EXECUTIVE SUMMARY

MISSION:	To adjudicate ordinance violation cases impartially to ensure that the legal rights of individuals are safeguarded while public interest is protected.
STRATEGIC ISSUES:	<p>Provide fair and reliable adjudication of cases despite increasing caseloads.</p> <p>Enhance public safety.</p> <p>Ensure public accessibility to Municipal Court services.</p> <p>Continue effective enforcement of Municipal Court judgments.</p> <p>Provide accountability for public resources.</p>
INITIATIVES FOR 2001:	Collaborate with the Department of Administration - Information and Technology Management Division to evaluate the redevelopment needs of the Municipal Court Case Management Information System.

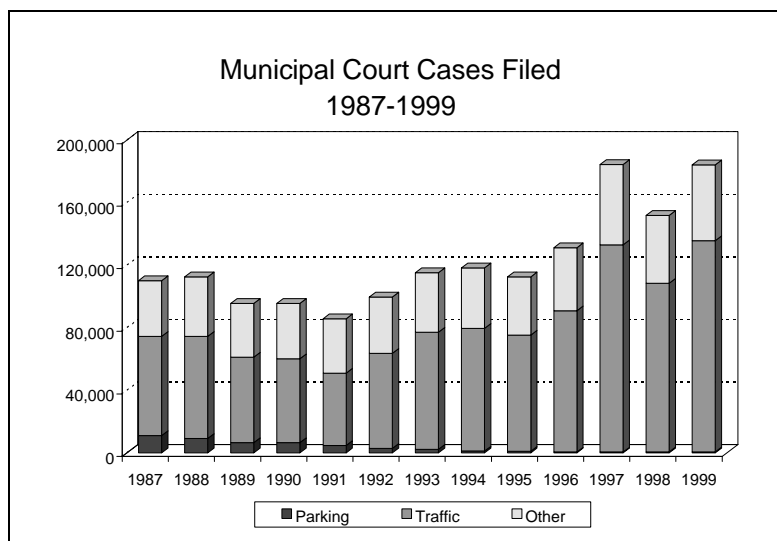
BACKGROUND

The Municipal Court (the Court), a part of the statewide court system, adjudicates exclusively city ordinance violations. The Court has three publicly elected judges who preside over the Court's three branches. The presiding judge appoints the Chief Court Administrator who oversees the administrative functions of the Court.

In 2000, the Court operated in the context of a 32% combined increase in caseload over the last three years. In two of those years, 1997 and 1999, the number of new case filings exceeded 180,000 (see Figure 1). Case filings decreased by 17.6% in 1998 as the Court imposed restrictions on the flow of cases, but the generated backlog added further pressures on the Court's work. Cases not heard in 1998 were transferred for adjudication in 1999, and the ones not heard in 1999 were deferred until 2000.

Recognizing this general upward trend in case filings, the Court sought and obtained statutory authorization for Municipal Court Commissioners to augment its judicial resources. In May 1998, the Common Council authorized the release of funds for five part-

Figure 1



time Municipal Court Commissioners (equivalent to one full-time position) to hear traffic pre-trials and cases of defendants in the custody of the Milwaukee County Sheriff. Funds were provided to allow the Commissioners to hear cases at the Municipal Intake Courtroom at Milwaukee County's Criminal Justice Facility.

OBJECTIVE 1

Provide fair and reliable adjudication of cases as measured by sufficient judicial time given to each defendant and timeliness of case processing.

OUTCOME HISTORY

In 1999, the increase in the number of actual new cases (to more than 184,000) far surpassed the 120,000 cases anticipated in that year's budget. The Court adjudicated over 180,000 cases in 1999 and expects to hear between 185,000-200,000 cases in both 2000 and 2001. To help alleviate case overload, pre-trial and trial scheduling delays, the Court successfully sought statutory authority and city funding to use Municipal Court Commissioners. By mid-1999, the time lag between offense date and arraignment date met the target of 60 days or less. Pre-trials and trials also met the strategic target of 60 days or less. About 10% of all cases advance from intake to pre-trial and to trial. In 2001, the Municipal Court will dedicate approximately \$2.0 million to this objective.

ACTIVITIES

- Court Commissioner Program at the Milwaukee County Criminal Justice Facility (CJF)
- Centralized data entry activities

PROGRAM CHANGES

Municipal Court Commissioner Program: The 2001 budget includes \$76,500 in salaries to continue court commissioner services. The Court Commissioners hear cases against people who have been arrested on warrants or summarily arrested. In addition, the Court Commissioners hear most pre-trials. During 1999, Court Commissioners saw 18,000 defendants with approximately 27,000 cases. Without the assistance of Court Commissioners, these pre-trials and in-custody cases would have to be heard by Municipal Judges, causing serious delays in adjudication.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of non-priority cases filed and tried within 90 days of intake.	85.0%	85.0%	85.0%
Funding by Source:			
Operating Funds	\$2,013,812	\$1,875,077	\$1,632,387
Special Purpose Accts.	343,226	393,652	393,652
Total:	\$2,357,038	\$2,268,729	\$2,026,039

Court scheduling has also improved with the addition of Court Commissioners. Compared to prior lag time of 120 days or more, the Court is now well within 60 days between intake, pre-trial and trial.

Court Commissioners will continue to hear cases in the Municipal Intake Courtroom at the Milwaukee County Criminal Justice Facility (CJF) since there is no space on the Court's premises for a court commissioner hearing room. Courier services bring case files to the CJF on a daily basis. With cooperation from the Milwaukee County Sheriff's Department regarding security, court staff will transport case files for the day's completed transactions through secured pathways from CJF to the Police Administration Building (PAB).

MCMIS Update: The budget for the Department of Administration Information Technology and Management Division includes \$100,000 in a special purpose account to assess the Court's computer system redevelopment options. An outside consultant will investigate thoroughly the fiscal and operational implications of an updated and expanded MCMIS. The contracting process will be overseen by DOA's Information Technology Management Division, and will require the Court's active involvement in drafting the request for proposal and selecting the prospective consultant.

OBJECTIVE 2

Ensure public accessibility to the Court as measured by increasing the number of defendants using the automated voice response system.

OUTCOME HISTORY

In an effort to strengthen the Court's role as a service provider, the Court will dedicate \$475,788 of its 2001 operating budget to continue to use effectively its computer and other systems to make the Court more accessible to the public. The Court frequently analyzes data to determine optimal court hours, schedules, and locations to assure public accessibility. The Court has also implemented an automated voice response system to provide pre-recorded information for the most commonly asked questions.

In 1999, the Court received around 56,552 calls into its voice response system. Sixty-nine percent of the callers proceed further into the information menu without being transferred to staff. While relying on the response system for most calls, the Court is also developing other ways to transact business with defendants that would diminish the need to make multiple contacts. The Court's website has been changed to include individual case data, and to accommodate more information on court policies and procedures. It now allows defendants to download forms that they can mail or fax to the Court.

Special services, such as language interpretation for non-English speaking defendants through in-house

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Number of calls for information from automated voice response system.	56,552	50,000	50,000
Funding by Source:			
Operating Funds	\$305,121	\$454,705	\$475,788
Capital Budget	105,356	0	0
Total:	\$410,477	\$454,705	\$475,788

staff and through purchased interpretation services, will remain in place during 2001.

ACTIVITIES

- Staff assistance to defendants with disabilities
- Telephone and in-person language interpreters
- Automated voice response system
- Internet-based cases information system

PROGRAM CHANGES

Credit Card Payments: Since August, 1999, the Court has been distributing credit card payment forms to defendants as they come out of the courtrooms. In 2001, these efforts are expected to further increase the number of transactions completed by fax or mail, and to reduce the number of calls into the Court's automated voice response system to no more than 50,000.

OBJECTIVE 3

Provide effective enforcement of court judgments as measured by the ratio of warrants and commitments to cases adjudicated.

OUTCOME HISTORY

The Court has allocated \$588,555 of its operating budget to this objective in 2001. Through cooperative agreements between the Court and the Police Department, police officers check for outstanding city writs on defendants brought in by other jurisdictions at the Criminal Justice Facility. These defen-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Ratio of warrants and commitments issued to cases adjudicated.	27.0%	30.0%	30.0%
Funding by Source:			
Operating Funds	\$396,661	\$525,996	\$588,555
Total:	\$396,661	\$525,996	\$588,555

dants are then brought before the Municipal Intake Court to be heard by Municipal Court Commissioners. An average of ten writs are cleared through this process on a daily basis.

The Court seeks to keep the ratio of warrants to citations issued at no more than 30% in 2001 as its own measure of effectiveness of court orders (see Figure 2). Keeping this ratio low requires making indigence determination as soon as possible. This will reduce reissuance of warrants and allow for immediate commitment of those who have the ability to pay but fail to pay their fine. Court studies of defendant compliance behavior have shown that timely and decisive court actions are key factors. The ratio of writs to adjudicated cases has dropped from a high of 33% during the first quarter of 1998 to 27% at the end of 1999. Referrals to Wisconsin Correctional Services during 1999 resulted in defendant compliance through 40,598 hours of community service, 82% compliance with alcohol and other drug abuse treatment alternatives, 97% compliance with mental health treatment programs, and city avoidance of over \$320,000 in incarceration costs.

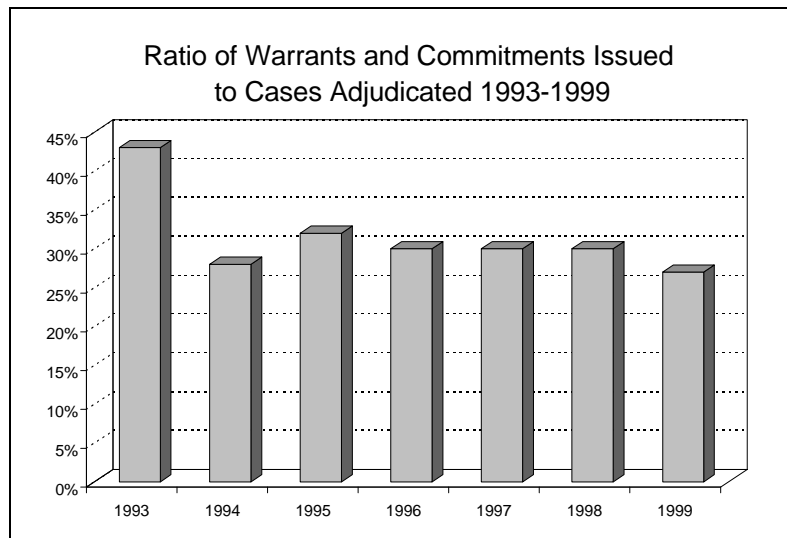
ACTIVITIES

- Collection agency services and judgment due notices
- Coordination of policies with law enforcement officials
- Communication with public and private agencies for enforcement of judgments
- Wisconsin Correctional Services referrals

PROGRAM CHANGES

Electronic Transmission of Data to the Department of Transportation: A collaborative project with the

Figure 2



Department of Transportation (DOT), completed in July, 1999, enabled the Court to transmit electronically judgments and orders instead of mailing computer printouts. About 1,000 transactions are transmitted daily. This augments electronic transmission of citation data that was accomplished in early 1998. The Court's intent in this collaboration with DOT is to facilitate timely recording of court judgments on driving records. Delays in DOT's recording of court actions mean delays in the Court's ability to enforce its judgments through license suspensions and denial of vehicle registrations.

Collections: To ensure that property liens ordered primarily on building and zoning violation cases are recorded in circuit court in a timely manner, the Court began docketing judgments prior to sending them to the city's collection agency. Previously, the Court waited for the collection agency to complete its efforts. The filing of civil suit on these docketed cases is the responsibility of the City Attorney.

OBJECTIVE 4

Provide accountability for public resources as measured by the percentage of collections posted within 24-hours of receipt.

OUTCOME HISTORY

The Court has a track record of successfully posting all of its collections within 24-hours of their receipt.

In 1998, due to further computerization, the Court was able to reallocate 1.5 FTE from activities relating to driving records to perform needed courtroom proceedings, case preparation and records management functions. In 1999, the Court eliminated the use of pre-printed forms for producing court notices, and implemented total electronic printing via laser. This

change enabled the Court to transmit information to a mailing house, and realize savings by reducing postage and mailing supplies costs. In 2001, the Municipal Court will dedicate \$353,759 to this objective.

ACTIVITIES

- Accounting controls
- Public information
- Internet posting of court statistics and reports
- Cost effective policy and procedures changes

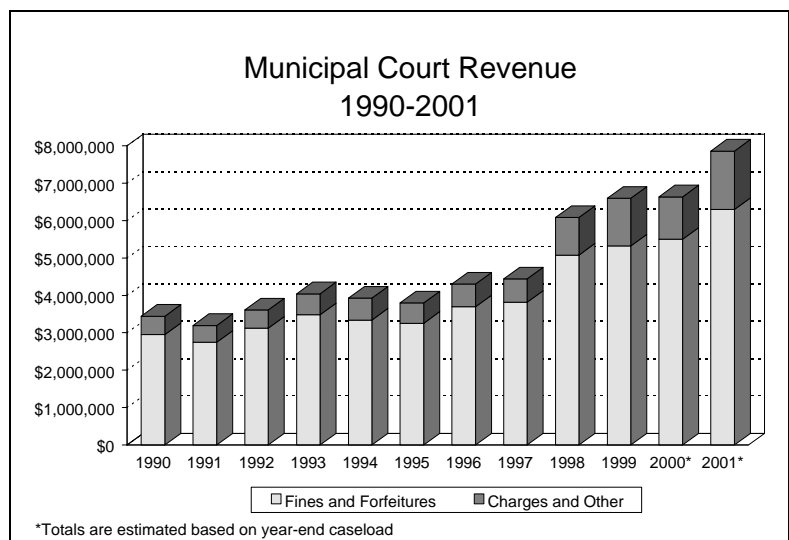
PROGRAM CHANGES

Revenue Generating Activities: Over the last five years, the Court has experienced an upsurge in revenues (see Figure 3). Municipal Court revenue rose by 37% in 1998, and by another 8% in 1999. These revenues help offset the city's cost of various regulatory enforcement functions, such as policing and inspection services. In 2001, the Court expects revenues to increase at the same rate as the new caseload. These revenue increases have resulted from the increase in court judgments due to higher case-filing levels over the past five years. They can also be attributed to the Court's efforts at becoming more effective in collecting on its judgments.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of collections posted within 24-hours of receipt.	100.0%	100.0%	100.0%
Funding by Source:			
Operating Funds	\$244,100	\$242,539	\$353,759
Total:	\$244,100	\$242,539	\$353,759

Figure 3



OBJECTIVE 5

Enhance the effectiveness of educational alternative programs for indigent and first-time offenders.

OUTCOME HISTORY

The Court refers first-time juvenile offenders and shoplifters who appear for arraignment to classes conducted by the Institute for Criminal Justice at the University of Wisconsin-Milwaukee. Whenever appropriate, traffic offenders who appear at pre-trial are referred to the Driver Safety Program at the Milwaukee Area Technical College. Additionally, the Court began referring defendants whose li-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of first-time offenders better understanding the consequences of offense.	95.0%	95.0%	95.0%
Funding by Source:			
Operating Funds	\$91,537	\$106,760	\$149,826
Special Purpose Accts.	14,870	15,000	15,000
Total:	\$106,407	\$121,760	\$164,826

censes have been suspended or revoked to the Court Alternative to Revocation and Suspension Program (CARS) where volunteer attorneys assist defendants on how to get re-licensed.

Of those class attendees who completed course evaluations, over 95% indicate that they believe the classes helped them better understand the consequences of their offense. Beginning December 1999, the Court requires the mandatory appearance of juveniles in non-traffic cases. A warrant of arrest is issued on those who fail to appear. The rate of appearances is slowly rising from 16% to 20% in 2000. Juveniles who appear are given the opportunity to do community service instead of paying a fine to reduce the likelihood of payment default.

A combined compliance rate of 59% was achieved in community service referrals during 1999 to Youth Services of the Social Development Commission, Career Youth Development, and the Graffiti Abatement Program of Milwaukee Christian Center.

The Court will continue in 2001 to use and monitor the usefulness of these programs and will dedicate \$164,826 to exploring other effective ways of reducing recidivism.

ACTIVITIES

- Traffic Safety School
- Domestic Violence Early Intervention Program Court Alternative to Revocation and Suspension Program (CARS)
- Justice Alternative Court Program
- On the Right Track Program for Juveniles
- Supervise graffiti and other community clean-up programs

PROGRAM CHANGES

Reducing Recidivism: Programs such as the Graffiti Removal Programs, funded by Community Development Block Grants, require restitution from non-indigent adult defendants through graffiti clean-up services. Similarly, the Driver Safety Program allows drivers who pay their fines to reduce driver's license penalty points while learning safe driving skills.

In 2001, the Court will continue to use innovative programs such as the "On the Right Track Program" to discourage first-time juvenile offenders from developing the tendency to participate habitually in criminal behavior. The Court believes alternative programs such as these help defendants understand the impact of the offenses they have committed. By further educating offenders, the Court hopes to create a safer community for all Milwaukee citizens.

OTHER ACTIVITIES AND CHANGES

Program Result Measures: Currently, Municipal Court is retaining its existing internal management indicators. These indicators focus on preparing and

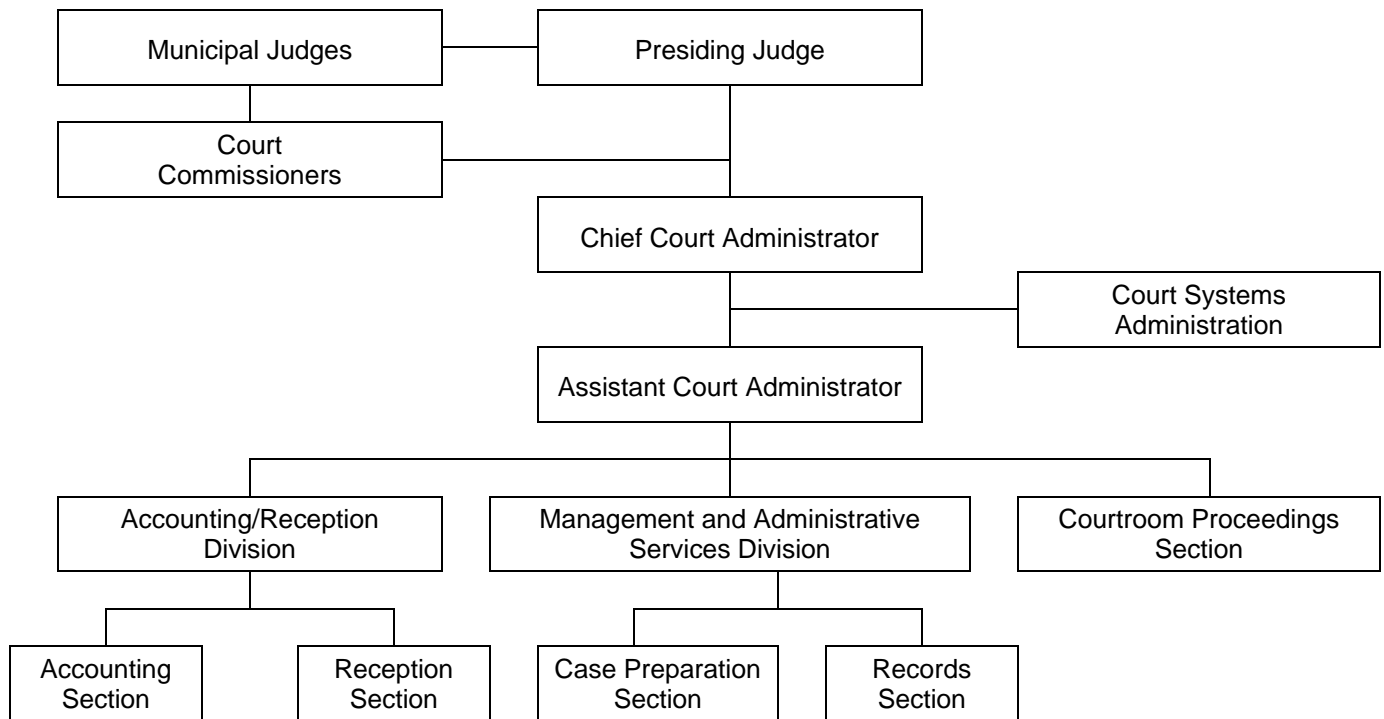
maintaining case files, items that cross over all of their objectives. They will be reviewed and revised during 2001.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	44.00	44.00	43.12	-0.88
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	55	55	55	0
DLH - Operations and Maintenance	84,009	79,200	74,529	-4,671
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$1,666,458	\$1,732,427	\$1,728,242	\$-4,185
Fringe Benefits	516,241	554,377	570,320	15,943
Operating Expenditures	680,661	854,355	824,985	-29,370
Equipment	8,558	3,918	13,068	9,150
Special Funds	<u>179,313</u>	<u>60,000</u>	<u>63,700</u>	<u>3,700</u>
TOTAL	\$3,051,231	\$3,205,077	\$3,200,315	\$-4,762
REVENUES				
Charges for Services	\$1,274,000	\$1,105,000	\$1,562,300	\$457,300
Forfeitures	<u>5,324,000</u>	<u>5,532,300</u>	<u>6,300,000</u>	<u>767,700</u>
TOTAL	\$6,598,000	\$6,637,300	\$7,862,300	\$1,225,000

CAPITAL PROJECTS - None

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL- TIME EQUIV.	POSITION TITLE	REASON
0	-0.88	Various Positions (Operating Funding \$-35,270)	Projected vacancy level increase.
0	-0.88	TOTAL	

PUBLIC DEBT COMMISSION

EXECUTIVE SUMMARY

MISSION:	To superintend the issuance and sale of city general obligation and revenue anticipation debt; to oversee the levying, collection, and disbursement of debt related taxes and revenues; and to effect all required post-issuance debt management. Commission staff also provides accounting services for the Public Debt Amortization Fund (PDAF) and the commission manages the PDAF as well as determines its level of usage to prepay debt.
STRATEGIC ISSUES:	<p>Efficiently manage the debt issuance process to maximize both competitive bidding activity as well as minority and/or disadvantaged business participation.</p> <p>Issue debt in adequate amounts and within acceptable time horizons so as to limit both potential arbitrage rebate costs as well as interim utilization of general city moneys for financing purposes.</p> <p>Efficiently manage the PDAF to maximize fund returns consistent with statutory and liquidity requirements.</p> <p>Evaluate the city's existing debt issues to identify and quantify potential opportunities for re-funding, restructuring, defeasance, or similar cost-saving initiatives.</p>
INITIATIVES FOR 2001:	<p>Continue to develop policies, in conjunction with the city Budget Office, that utilize alternatively structured debt (i.e., revenue bonds), particularly in the instances of water and sewer maintenance, in order to reduce the city's reliance on general obligation debt.</p> <p>Maintain the Internet-based bid submission process, which supplements the more traditional sealed bid submission process.</p>

BACKGROUND

The Milwaukee City Charter (Chapter 15) established a "Public Debt Commission" to superintend the issuance of city debt. Such superintendence extends to determining the timing, structuring, call provisions, and similar aspects of both city general obligation and revenue anticipation borrowings. The commission is also charged with oversight of the Public Debt Amortization Fund, a fund created by Wisconsin State Statute for the purpose of debt retirement. Such

oversight consists of both investment and use responsibilities for the fund.

The commission is comprised of three city residents individually appointed by the Mayor and confirmed by the Common Council. The City Comptroller serves as the ex-officio secretary to the commission and the City Treasurer serves as the ex-officio treasurer to the commission.

OBJECTIVE 1

Maintain the city's general obligation bond ratings through effective issuance, management, and reporting of city debt in compliance with applicable

laws and regulations, and management and reporting of the investment and performance of the Public Debt Amortization Fund.

OUTCOME HISTORY

The city's bond rating from Standard & Poor's Corporation and from Fitch, IBCA are currently AA+ for general obligation debt. Moody's Investors Service has assigned a rating of Aa2 for general obligation debt. Although the rating by Moody's is lower than the Aa1 rating previously assigned to the city's general obligation debt, the new rating is at the midpoint of Moody's Aa rated debt (Aa1 to Aa3).

These quality debt ratings, according to the rating agencies, result from a combination of strong financial management, stable fund balances and revenues, and predictable budgets. The agencies note that while city debt levels are considered above average, the debt is being amortized in an exceptionally rapid fashion and the city's "Infrastructure Cash Conversion Policy" also assists in keeping overall debt burden affordable. Overall, these rating strengths offset the city's perceived weaknesses of moderate economic growth and lagging income levels when compared to state and national averages.

In 2001, the Public Debt Commission will dedicate \$567,012 towards maintaining the city's bond rating.

Program Result Measures: The department will continue to improve its financial related indicators as needed. Internal management indicators for the department are used to monitor debt reserve earnings, debt interest costs and total annual debt. Current indicators focus on the level of bond sales and cost, earnings of the debt reserve funding compared to the *Shearson Lehman* index, minority participation and the true interest costs rate of bond sales in comparison to *The Bond Buyer 20* index.

ACTIVITIES

In order to maintain and improve the above noted debt ratings, the Public Debt Commission will allocate its budget to the following activities:

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Maintain city's bond rating:			
Standard & Poor's	AA+	AA+	AA+
Fitch	AA+	AA+	AA+
Moody's	Aa1	Aa1	Aa2
Funding by Source:			
Operating Funds	\$492,355	\$521,784	\$567,012
Total:	\$492,355	\$521,784	\$567,012

- New debt issuance
- Management of city debt
- PDAF management

PROGRAM CHANGES

Alternative Debt Structure: Currently, most of the city's debt is general obligation regardless of whether or not the project will generate any revenues. The 2000 budget provided borrowing authority in the form of general obligation or revenue bonds for projects with revenue sources. Water, parking and sewer maintenance related debt will be issued in the form of revenue bonds beginning in 2001.

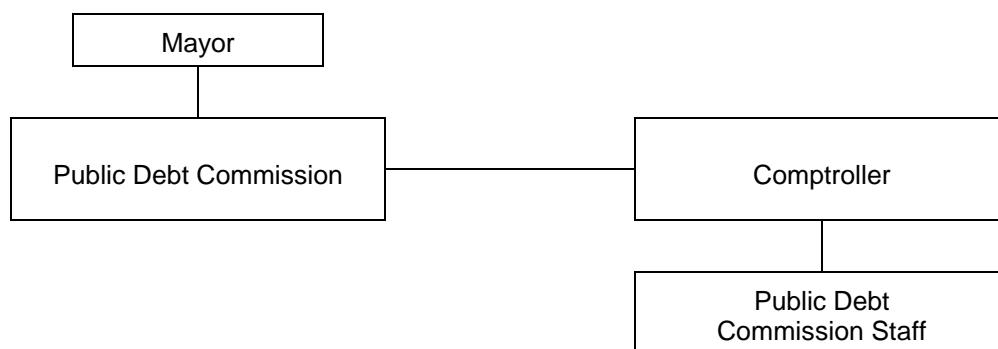
The use of revenue bonds will remove taxpayer liability for debt payment if the revenues are not available to retire the debt. It is expected that projects funded with revenue bonds should have a sufficient revenue stream to cover debt service or the city should avoid investment in the project.

Internet Bidding: In 1999, the city implemented a new Internet-based submission process. Internet bidding was initiated with the June, 1999 sale and has been used for all subsequent debt offerings. These Internet sales were made with the assistance of either Bloomberg Financial Service or MuniAuction and will be continued in 2001.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	2.00	2.00	2.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	5	5	5	0
DLH - Operations and Maintenance	3,512	3,512	3,512	0
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$93,762	\$93,372	\$96,603	\$3,231
Fringe Benefits	30,004	29,879	31,879	2,000
Operating Expenditures	368,589	398,533	438,530	39,997
Equipment	0	0	0	0
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$492,355	\$521,784	\$567,012	\$45,228
REVENUES				
Charges for Services	<u>\$216,355</u>	<u>\$188,000</u>	<u>\$245,000</u>	<u>\$57,000</u>
TOTAL	\$216,355	\$188,000	\$245,000	\$57,000
CAPITAL PROJECTS - None				

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES - None

ELECTION COMMISSION

EXECUTIVE SUMMARY

MISSION:	To conduct elections that build public trust in the democratic process.
STRATEGIC ISSUES:	Enhance services that are delivered to our customers. Increase customer satisfaction with the election process.
INITIATIVES FOR 2001:	Conduct two citywide elections in 2001 which include judicial and school board races. Continue to work with community groups and organizations to encourage voter registration and participation.

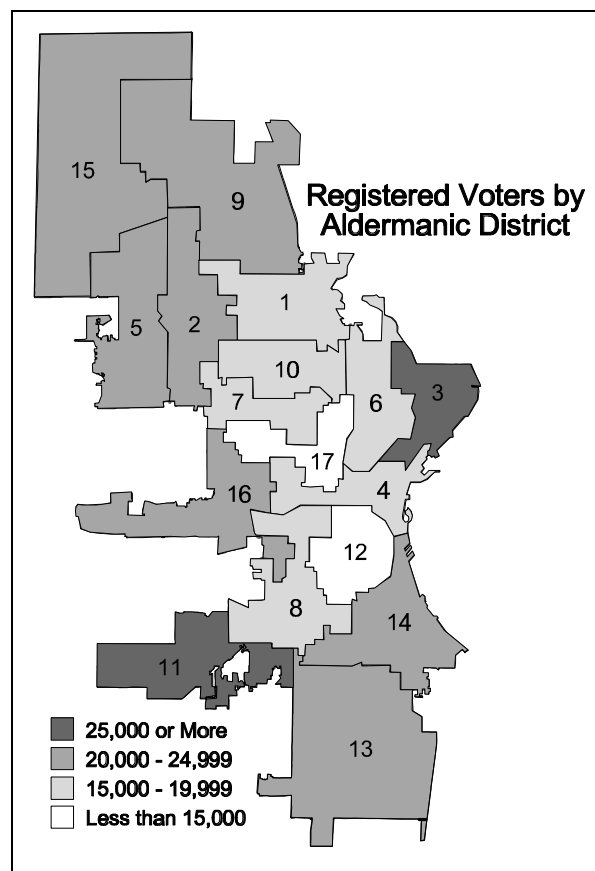
BACKGROUND

The Election Commission staff manages all aspects of the election process. In addition to registering the 455,948 potential voters (based on the 1990 census) in the City of Milwaukee, the commission has responsibility for setting up 201 polling locations with appropriate workers, supplies, and ballots on election days. The commission administers the statutory obligations for potential candidates for citywide offices as well as elected city officials. Two elections are usually held during odd-numbered years and four generally occur in even-numbered years.

The Election Commission staff is comprised of three board members, one Executive Director, an Election Service Manager, and four full-time staff members whose responsibilities cover the administration of absentee voting, voter registration, voting machine maintenance, election day poll worker designation, and general office management. During the election season, approximately 1,500-1,700 additional temporary employees are hired to staff the polling locations and register voters on-site at the polls on election days and to assist in the office with answering phone calls from voters.

Election Commissioners are appointed by the Mayor and confirmed by the Common Council. The three Election Commissioners represent the two dominant political parties. Two of the three members represent the victorious party of the most recent gubernatorial election.

Figure 1



The Election Commission purchased new voting machines and tabulating equipment in 1997. During the subsequent elections, election results were finalized within one hour after the polls closed. In addition, a web page provides election results via the Internet.

OBJECTIVE 1

Increase customer satisfaction with the election process as measured by a reduction in polling problems on Election Day.

OUTCOME HISTORY

The Election Commission's concern for voter satisfaction with the election process has consistently been at the forefront of its strategic issues and initiatives. With the purchase of new voting machines in 1997, the percentage of voting machine-related problems during subsequent elections was reduced by one-half (see Figure 1). The commission anticipates this trend to continue through the fruition of increased experience and full implementation of the system.

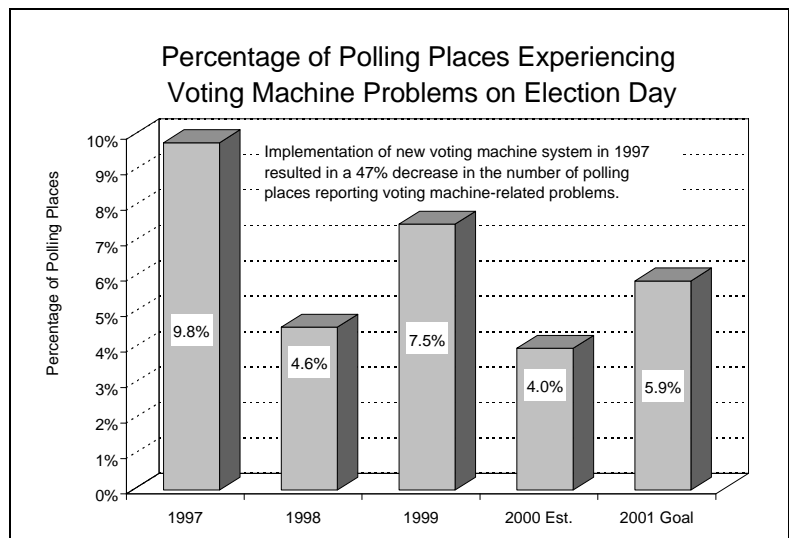
In 1999, the Election Commission purchased new equipment to implement transmission of election results via modem from four locations other than City Hall. This process allows poll workers to drop off their computer cassettes of election results to a location closer than City Hall. As a result, election results are available within 45-minutes after the polls close. Electronic processing of election results continues to provide opportunities for increasing customer satisfaction with the voting process. The 2001 budget includes \$713,230 in operating funding to increase customer satisfaction with the election process.

ACTIVITIES

- Conduct elections
- Supervise registration

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of polling places reporting voting machine problems on election day.	7.5%	4.0%	5.9%
Funding by Source:			
Operating Funds	\$724,356	\$1,007,246	\$713,230
Total:	\$724,356	\$1,007,246	\$713,230

Figure 1

- Analyze voting equipment and polling locations
- Enhance election technology
- Comply with statutory election requirements

OBJECTIVE 2

Enhance communication to better serve customers as measured by customer satisfaction.

OUTCOME HISTORY

In an ongoing effort to address the city's strategic goal of ensuring that residents obtain high value from city services, the Election Commission Office became one of the first in

Outcome Indicators and Funding

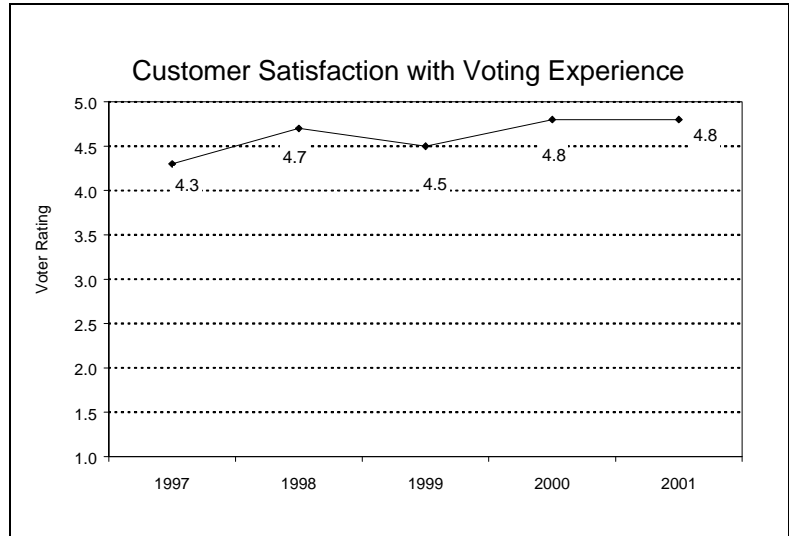
	1999 Experience	2000 Budget	2001 Projection
Customer satisfaction with voting experience (5 point scale; 5.0 being the highest rating).	4.50	4.80	4.80
Funding by Source:			
Operating Funds	\$192,884	\$304,954	\$211,669
Total:	\$192,884	\$304,954	\$211,669

the state to create an Internet website that allows residents to find their polling location simply by entering their street address. The commission's website allows constituents to determine what aldermanic district and ward they are located in, as well as providing a list of elected municipal, county, state, and federal officials based on their address.

The website will help to make Election Commission Office activities more efficient by reducing the number of information requests by telephone to the commission.

Through voluntary surveys conducted at all polling locations, voters are given the opportunity to indicate their level of satisfaction with the voting experience. As Figure 2 shows, customer satisfaction with the voting experience in 1999 decreased by 4% from 1998, yet remained higher than 1997. In 2001, \$211,669 is allocated to improving customer satisfaction, which includes \$29,129 for a new Customer Service Representative I position.

Figure 2



ACTIVITIES

- Provide public information
- Maintain accurate records
- Improve effectiveness of office management and procedures
- Provide for staff training and development
- Implement Total Quality Improvement (TQI)

OBJECTIVE 3

Encourage greater voter participation as measured by increasing voter registration.

OUTCOME HISTORY

Voter Registration and Participation: Wisconsin has a long tradition of easy, open access to voting for all of its citizens placing few obstacles between its citizens and their polling places. Wisconsin is one of only five states allowing same-day registration. The Election Commission strives to encourage voter participation in two ways: by registering a greater percentage of city residents who are eligible to vote, and by increasing the participation of registered voters on election day (see Figure 3). The Election Commission uses a variety of methods to achieve these goals.

Through its work with churches, colleges and universities, and community-based organizations, the commission creates additional registration opportunities for city residents. School-based initiatives at-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of eligible persons who are registered to vote.	74.0%	77.0%	78.0%
Funding by Source:			
Operating Funds	\$65,944	\$103,798	\$74,586
Total:	\$65,944	\$103,798	\$74,586

tempt to register students when they become 18 years old. These efforts have garnered some success; voter registration has increased steadily over the years.

However, registering eligible voters does not guarantee they will vote. Presidential and other high-profile elections can frequently generate voter turnout of 50% or higher. In 2001, \$74,586 is allocated to

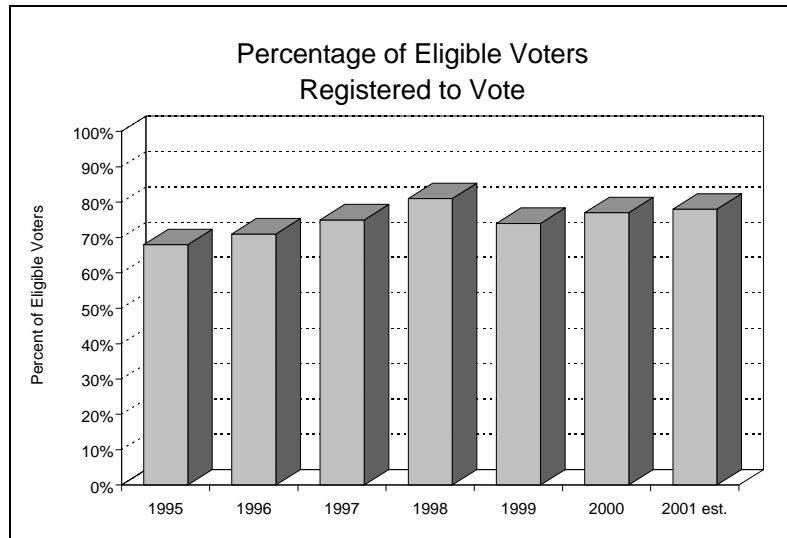
encourage voter participation. This funding supports advertising that promotes voter participation and encourages those who are eligible to use absentee ballots.

Program Result Measures: For this objective, the Election Commission measures the number of eligible residents registered to vote and the number of residents who register to vote for the first time on election day.

ACTIVITIES

- Create voting opportunities
- Increase voter registration
- Increase deputy registration activities

Figure 3



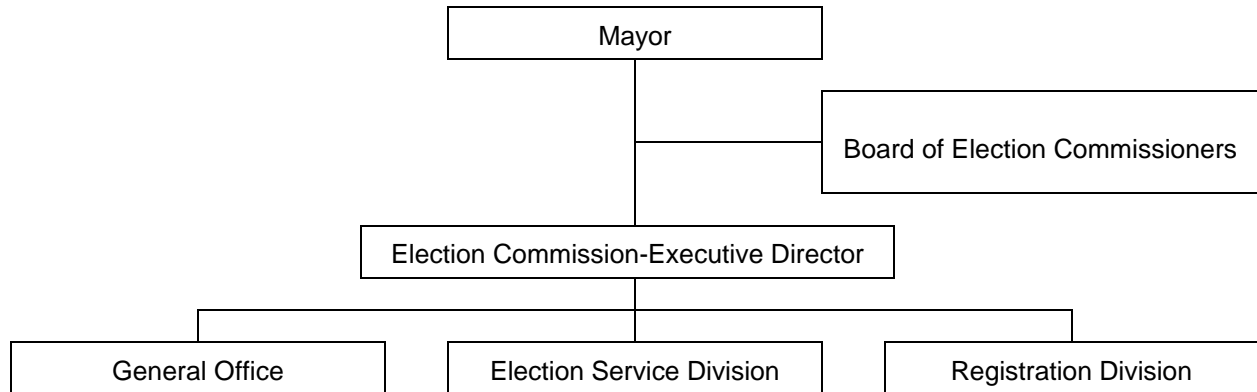
BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	29.88	53.32	30.53	-22.79
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	1,327	1,717	1,345	-372
DLH - Operations and Maintenance*	24,806	32,580	27,714	-4,866
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$560,330	\$963,516	\$639,185	\$-324,331
Fringe Benefits	178,515	72,964	86,282	13,318
Operating Expenditures	236,509	356,903	260,630	-96,273
Equipment	6,214	22,615	13,388	-9,227
Special Funds	1,616	0	0	0
TOTAL	\$983,184	\$1,415,998	\$999,485	\$-416,513
REVENUES				
Charges for Services	\$20,341	\$28,300	\$17,600	\$-10,700
TOTAL	\$20,341	\$28,300	\$17,600	\$-10,700

CAPITAL PROJECTS - None

*DLH totals for 2000 and 2001 do not include Commissioners, Inspectors, and Registrars.

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
1	1.00	Customer Service Representative I (Operating Funding \$29,129)	New position to assist with records maintenance and public information requests.
-40	-4.40	Temporary Office Assistant II (0.11 FTE) (Operating Funding \$-83,300)	Changes due to biennial election cycle (two citywide elections in 2000).
1,265	16.45	Election Inspector (0.013 FTE) (Operating Funding \$218,495)	
-1,265	-32.89	Election Inspector (0.026 FTE) (Operating Funding \$-436,990)	
-333	-2.33	Election Registrars (0.007 FTE) (Operating Funding \$-49,770)	
0	-0.62	Additional Vacancy Adjustment (Operating Funding \$0)	
-372	-22.79	TOTAL	

DEPARTMENT OF EMPLOYEE RELATIONS

EXECUTIVE SUMMARY

MISSION:	To assist customer agencies in carrying out their respective missions by providing and helping to maintain a productive, diverse workforce that is well-trained, empowered, motivated, adequately compensated, high in morale, and fully attuned to efficient and effective customer service delivery.
STRATEGIC ISSUES:	<p>Facilitate change in the city's culture and leadership to one that values customer focus, personal development, continuous improvement, diversity, and open and honest communication.</p> <p>Align services with customer needs.</p> <p>Define roles and relationships of labor and management, and employees and management.</p> <p>Assist customer departments in meeting their long-term human resource needs.</p> <p>Attract and retain the best employees.</p>
INITIATIVES FOR 2001:	<p>Improve the labor/management climate.</p> <p>Expand use of the Internet and Department of Employee Relations website to improve information for applicants and other external customers.</p> <p>Provide access to human resource policies and procedures for employees and city agencies, and develop the capability to process transactions through the city Intranet.</p> <p>Improve workforce planning and workforce development within city departments.</p>

BACKGROUND

The Department of Employee Relations (DER) provides services to city agencies and the Milwaukee Public Schools (MPS), which include employee selection, compensation, job classification, equal employment opportunity, employee benefits, worker compensation, safety training and development, and labor contract negotiation and administration. These services are all provided in compliance with a variety of legal mandates and procedures. DER continues to focus on recruiting and retaining a well-trained, diverse workforce, while leading efforts to effect city-wide organizational change through course offerings in diversity training and total quality management.

During the course of 2000, DER has worked to develop new objectives and result measures that are in accordance with the City of Milwaukee Strategic Plan. The department has combined its previous four objectives into three new objectives that will more appropriately measure the progress that the department has made over the course of each year. In addition, a number of new and existing result measures were developed and implemented into the new objectives. With these new measures and objectives, DER will have more concrete data available to help determine the success of its programs as they relate to the citywide strategic plan.

OBJECTIVE 1

Find, hire and retain the best employees possible by focusing on recruitment, hiring, diversity and employee development.

OUTCOME HISTORY

In 2001, \$1,327,896 in operating funds, \$542,524 in reimbursable funds and \$83,000 in special purpose account funding will be used to support this objective. In order to accomplish this objective, the department will focus on aggressive recruitment, employee training, and providing information to employees regarding opportunities for growth and development within the city. These activities will aid in the effort to maintain a high quality workforce.

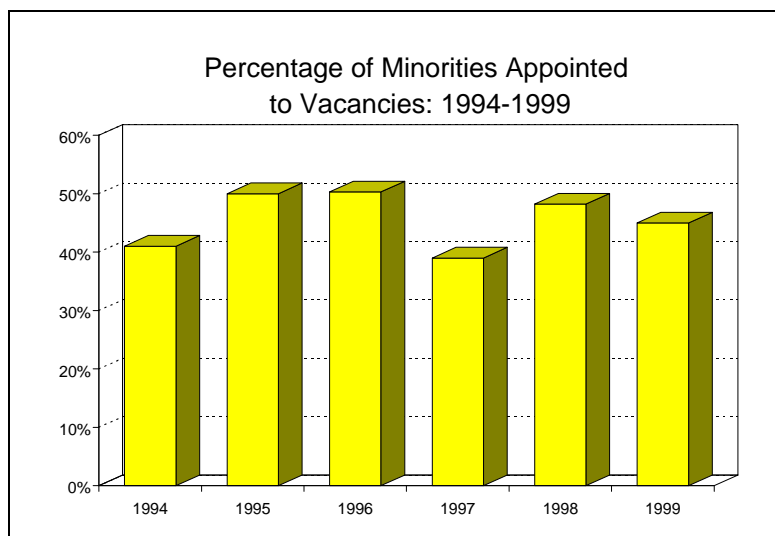
DER will also continue to evaluate and improve all phases of the selection and hiring process, including recruitment, testing, and customer communication, to meet the goals of this objective. DER will continue to work hard toward increasing minority representation in the city's workforce. DER strives to achieve a high rate (35% or better) of minority appointments to vacancies in all available job classifications at all levels. In 1999, 45% of those appointed to vacancies were minorities. Figure 1 illustrates DER's progress toward minority hiring from 1994-1999.

Employee skill development is also an important function of DER. The department offers city employees a variety of training courses in the areas of human resources, administrative policies and procedures, and computer skills. DER develops its curriculum through bi-annual surveys and through close customer contact of the DER service delivery teams. In 2001, DER will also dedicate \$15,000 to begin diversity training for employees.

In order to ensure the city's workforce has adequate computer skills training, DER offers a wide variety of computer courses to city employees. These courses reflect the wide variety of software used by city departments. Approximately 122 computer classes are conducted each year. In 2001, DER projects that 1,300 employees will receive training through its course offerings.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Number of applications received.	7,627	9,000	9,000
Percentage of minorities appointed to vacancies.	N/A	N/A	35.0%
Number of employees trained.	1,728	1,300	1,300
Funding by Source:			
Operating Funds	\$1,858,303	\$1,704,762	\$1,327,896
Grant and Reimbursable	343,968	637,186	542,524
Special Purpose Accts.	63,141	83,000	83,000
Total:	\$2,265,412	\$2,424,948	\$1,953,420

Figure 1

Program Result Measures: DER has developed some new measures to track its success in achieving this new objective. In addition to the current measures of the number of applications received and the number of employees trained, DER will also measure the percentage of minorities appointed to vacancies. In addition, DER will continue tracking existing measures related to employee training, diversity and recruitment.

ACTIVITIES

- Provide training to city employees
- Establish policies and methods to promote an understanding and value of diversity throughout the workforce

- Assist in the development of leadership at all levels to support positive change in the organizational culture
- Encourage departments to utilize total quality improvement methods
- Attract and retain the best employees
- Succession planning

PROGRAM CHANGES

New Employee Orientation Program: A revised New Employee Orientation Program was implemented during 2000. This revised program provides greater opportunity for new employees to be informed about their benefit options, and to learn about the city as an organization, career options, and

how their department and job fits into the big picture of providing city services. As a result of its success, DER plans to continue this program in 2001.

Restructure Selection Services and Certification and Labor Activity Staff: The 2001 budget consolidates the Pay Services Section staff and the Certification Section staff. The new section will be managed by a new position of Pay Services/Certification Administrator. This change will allow hiring procedures to be more centralized under the supervision of one person. This change will also relieve the service delivery teams of the duties of supervising this section. As part of this restructuring, one vacant position of Personnel Analyst-Senior will be eliminated.

OBJECTIVE 2

Maintain a competitive salary and benefits package.

OUTCOME HISTORY

Two major components in maintaining a well-qualified workforce and attracting qualified applicants for city service are the pay and benefits offered. DER relies heavily on workforce data to ensure an appropriate level of competitiveness with external employers and internal equity among employees. In 2001, DER will dedicate \$1,553,004 in operating funds and \$69,717,915 in special purpose account funding to meet the goals of this objective.

In order to ensure that the city has a well-qualified and highly competent workforce, DER seeks to hire the best candidates. Figure 3 illustrates the number of applications received compared to the number of eligible candidates from 1994-1999. As shown on the graph, the number of eligible candidates in 1999 was the highest in six years. In 2001, DER expects that the number of eligible candidates will continue its upward trend.

Program Result Measures: DER has created some new program result measures to track the success of this new objective. In addition to the current measure of the number of employees requesting tuition

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of total employees enrolled in health care program.	N/A	N/A	95.0%
Percent of total employees enrolled in dental care program.	N/A	N/A	95.0%
Number of employees requesting tuition benefit reimbursement.	1,610	1,750	1,750
Funding by Source:			
Operating Funds	\$1,308,853	\$1,505,255	\$1,553,004
Special Purpose Accts.	54,129,370	55,771,500	69,717,915
Total:	\$55,438,223	\$57,276,755	\$71,270,919

reimbursement, DER will track the percent to total employees enrolled in the health care program and the percent of total employees enrolled in the dental care program.

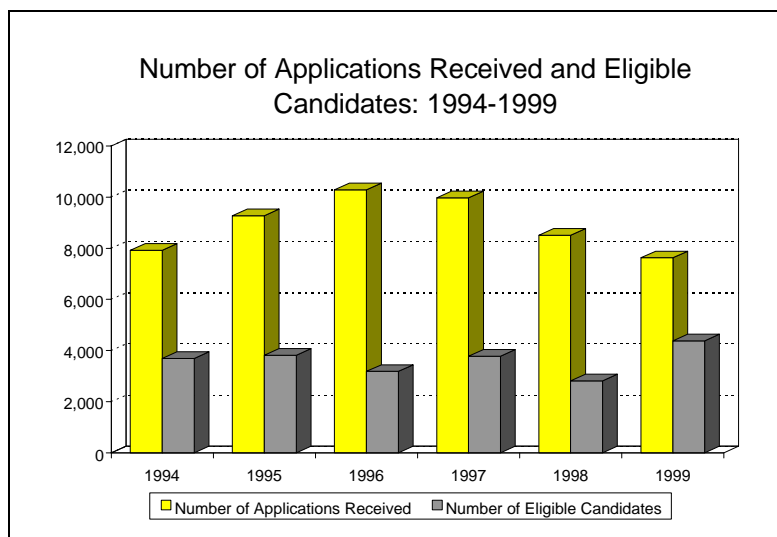
ACTIVITIES

- Provide relevant data that meets the city's long-term human resource needs
- Provide a competitive pay and benefit system for city employees

PROGRAM CHANGES

Commuter Value Pass: In 2000, DER began administering a new employee benefit called the Commuter Value Pass Program. This program allows city employees to receive discounted bus fares. For each employee enrolled in the program, the city provides a portion of the cost for the Commuter Value Pass. The remaining portion of the cost is deducted from the employee's paycheck for unlimited use of all Milwaukee County Transit System buses. The Commuter Value Pass Program has proved to be quite successful. The program started in 2000 with 284 enrollments, and that number has now increased to 322. In 2001, DER expects that enrollments will gradually increase further.

Figure 3



OBJECTIVE 3

Create an organizational climate that encourages every city employee to share the city's vision and mission and to participate in achieving the city's objectives.

OUTCOME HISTORY

DER plans to meet the goals of this objective by continuing to focus on utilizing the consensus bargaining process. In 2001, \$1,302,215 in operating funds and \$26,000 in special purpose account funds will be used to support this objective. The department will continue to work toward establishing fair and mutually respectful employment relations by fully and fairly representing the interests of the city through the adoption of the "win-win" bargaining process. This philosophy aims at establishing a non-adversarial negotiating process by looking beyond the individual needs of the negotiation process to the collective interests and needs of the city. To date, 5 of the 19 bargaining units have had contracts resolved through the 1999-2000 process. In 2001, DER will negotiate successor agreements with these bargaining units.

Program Result Measures: DER has created some new program result measures to track the success of this program. In addition to the current measure of the number of active labor/management committees,

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Number of contracts settled voluntarily.	N/A	N/A	19
Number of contracts settled by interest arbitration.	N/A	N/A	0
Number of active labor/management committees.	8	12	12
Funding by Source:			
Operating Funds	\$1,118,092	\$833,754	\$1,302,215
Special Purpose Accts.	19,075	26,000	26,000
Total:	\$1,137,167	\$859,754	\$1,328,215

DER will track the number of contracts settled voluntarily and the number of contracts settled by interest arbitration.

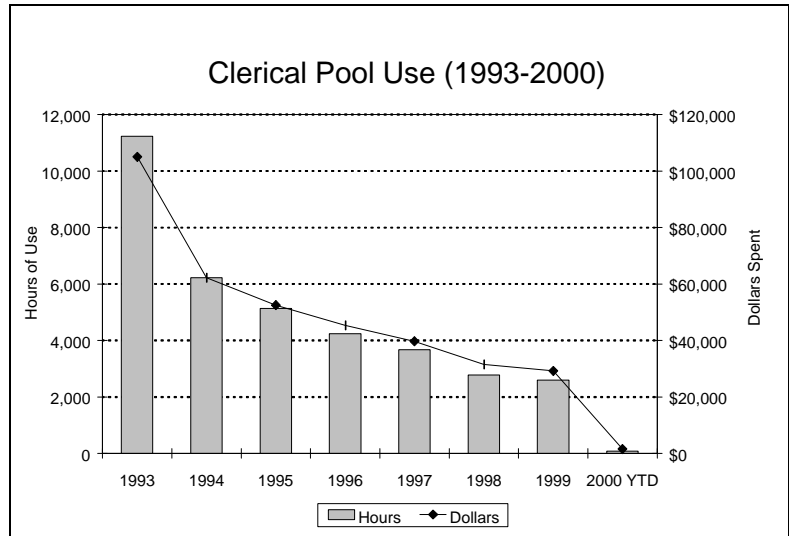
ACTIVITIES

- Negotiate and administer bargaining unit contracts
- Encourage dispute resolution among labor, management, and employees through the development of labor-management committees
- Workplace Violence Prevention Program

PROGRAM CHANGES

Elimination of City Central Clerical Pool: In 2001, the City Central Clerical Pool will be eliminated. As shown in Figure 4, usage of the clerical pool has steadily declined since 1993. In 1993, there was \$105,000 of services used, and only \$1,575 used during the first half of 2000. Similarly, the number of hours of clerical pool use has also continued to decline. Much of this decrease in clerical pool use can be attributed to most departments handling their own additional clerical support needs via the city's blanket contract. As the number of employees in the clerical pool is decreased, DER will not hire additional employees to re-staff the clerical pool. As a result, the pool will be dissolved.

Figure 4



OTHER ACTIVITIES AND CHANGES

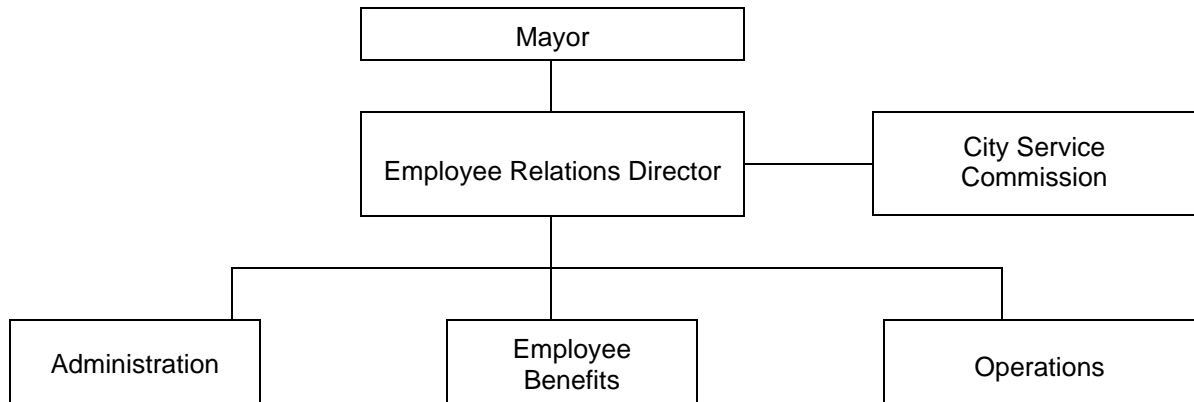
Special Purpose Accounts: The Department of Employee Relations will administer \$69,826,915 in special purpose accounts in 2001.

Employee Health Care:	\$61,610,000
Worker's Compensation:	\$6,060,000
Unemployment Compensation:	\$775,000
Tuition Reimbursement:	\$700,000

Long Term Disability Insurance:	\$425,000
Commuter Value Pass:	\$75,000
Employee Training Fund:	\$74,500
Flexible Spending Account:	\$30,000
Intern Program:	\$42,915
Safety Glasses:	\$26,000
Drug Testing:	\$8,500

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	68.00	65.00	65.84	0.84
FTEs - Other	4.10	28.00	12.00	-16.00
Total Positions Authorized	105	103	84	-19
DLH - Operations and Maintenance	124,956	116,500	114,286	-2,214
DLH - Other Funds	7,368	1,800	12,600	10,800
EXPENDITURES				
Salaries and Wages	\$2,899,151	\$2,787,483	\$2,863,382	\$75,899
Fringe Benefits	909,321	891,995	944,917	52,922
Operating Expenditures	458,376	346,593	334,816	-11,777
Equipment	18,400	17,700	25,000	7,300
Special Funds	<u>0</u>	<u>0</u>	<u>15,000</u>	<u>15,000</u>
TOTAL	\$4,285,248	\$4,043,771	\$4,183,115	\$139,344
REVENUES				
Charges for Services	\$363,000	\$372,200	\$282,767	\$-89,433
Miscellaneous	<u>478,100</u>	<u>460,000</u>	<u>631,000</u>	<u>171,000</u>
TOTAL	\$841,100	\$832,200	\$913,767	\$81,567

CAPITAL PROJECTS - None**ORGANIZATION CHART**

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Office Assistant II (Operating Funding \$-24,802)	Elimination of positions.
-1	-1.00	Human Resource Analyst - Sr. (Operating Funding \$-33,994)	
-16	-16.00	Temporary Office Assistant II (Non-Operating Funding \$-57,618)	Elimination of the City Central Clerical Pool.
-1	-1.00	Human Resource Manager (Operating Funding \$-3,087)	Elimination of auxiliary position created in the 2000 budget to fund one pay period for retiree.
-1	-1.00	Accountant III (Operating Funding \$-53,264)	Position reclassifications approved in 2000.
1	1.00	Management and Accounting Officer (Operating Funding \$57,503)	
-1	-1.00	Office Assistant III (Operating Funding \$-27,931)	
1	1.00	Administrative Assistant II (Operating Funding \$30,589)	
-1	-1.00	Medical Benefits Assistant II (Operating Funding \$-29,049)	
1	1.00	Program Assistant II (Operating Funding \$32,959)	
-1	-1.00	Office Assistant II (Operating Funding \$-24,699)	
1	1.00	Administrative Specialist (Operating Funding \$34,273)	
-1	-1.00	Claims Adjuster Specialist (Operating Funding \$-51,354)	
1	1.00	Claims Administrator (Operating Funding \$56,247)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
1	1.00	Network Coordinator-Associate (Operating Funding \$44,418)	Position reclassifications approved in 2000.
-1	-1.00	Salary Systems Administrator (Operating Funding \$-58,334)	
-1	-1.00	Personnel Analyst - Sr. (Operating Funding \$-40,064)	
1	1.00	Pay Services/Certification Admin. (Operating Funding \$44,982)	
-1	-1.00	Office Assistant II (Operating Funding \$-27,448)	Anticipated position reclassifications for 2001.
1	1.00	Office Assistant III (Operating Funding \$28,619)	
-1	-1.00	Computer Training Coordinator (Operating Funding \$-51,354)	
1	1.00	Human Resource Training Specialist (Operating Funding \$57,182)	
-1	-1.00	Office Assistant IV (Operating Funding \$-30,446)	
-1	-1.00	Program Assistant I (Operating Funding \$-34,682)	
2	2.00	Program Assistant II (Operating Funding \$70,964)	
-1	-1.00	Office Assistant III (Operating Funding \$-26,366)	Adjustment reflects anticipated vacancies.
1	1.00	Administrative Assistant II (Operating Funding \$31,867)	
0	-1.16	Various Positions (Operating Funding \$-64,624)	
0	5.00	Experience Adjustment	
-19	-15.16	TOTAL	

FIRE AND POLICE COMMISSION

EXECUTIVE SUMMARY

MISSION:	To ensure that the Fire and Police Departments are prepared to protect the lives and property of the citizens of the City of Milwaukee.
STRATEGIC ISSUES:	<p>Ensure a high quality, diverse public safety workforce, with a high retention rate, through effective recruitment, selection, and promotion processes.</p> <p>Ensure the quality and effectiveness of the Fire and Police Departments' policies, practices, and performances through appropriate utilization of the Board's oversight authority.</p>
INITIATIVES FOR 2001:	<p>Select candidates for five recruit classes in 2001; three classes for the Police Department and two classes for the Fire Department.</p> <p>Continue to monitor the progress of newly hired sworn personnel to ensure a high level of retention and a low number of disciplinary actions and citizen complaints.</p> <p>Administer entry-level Firefighter examination in 2001.</p> <p>Work to implement the Mayor's Commission on Crime recommendations to increase community involvement in crime prevention efforts and improve the relationship between citizens and the Police Department.</p>

BACKGROUND

The Fire and Police Commission is a civilian body which oversees general policy in the Milwaukee Fire Department and the Milwaukee Police Department. The commission is responsible for hiring and promotions for the two public safety departments. The Board of Fire and Police Commissioners, which was established in 1885, is the oldest civil service authority in Wisconsin, and the first such commission to be established by law in the United States. The commission's authority and responsibility are set forth in Section 62.50 Wisconsin Statutes and in the Milwaukee City Charter.

The five citizen members of the commission are appointed by the Mayor and approved by the Common Council. Members serve overlapping five-year terms.

Commission functions include recruitment and testing for entry-level positions in the Fire and Police Departments; testing for promotional positions; hearing appeals by members of either department who have been disciplined by their chief; hearing citizen complaints; and general policy oversight. An eleven-person staff is responsible for carrying out commission functions.

OBJECTIVE 1

Maintain or increase diversity in the sworn ranks of the Fire and Police Departments as measured by the percent of Police Officer and Firefighter appointments that are made to minority and women candidates.

OUTCOME HISTORY

In 2001, the Fire and Police Commission will seek to maintain Police Officer hiring levels at 33% minority and 67% majority, and 17% female and 83% male. Fire and Police Commission recruitment and selec-

tion programs have proven effective in increasing diversity in the city's public safety workforce, particularly in the Police Department.

Since 1989, minorities (Asian, Black, Native American, and Hispanic) as a percentage of the sworn police force, have increased from roughly 17% to 33.4%. The percentage of women on the police force has also increased from approximately 8% to 16.3% during that same period (see Figure 1).

The Fire and Police Commission will continue to try to meet its goal of maintaining or increasing the number of sworn minority and female personnel in the Fire Department. Minorities made up 17% to 20% of the sworn fire force from 1989 to 1999 (see Figure 2). Women represented between 4% and 5% of the sworn ranks in the Fire Department over the same time period. The Fire and Police Commission continues to develop recruitment methods aimed at increasing the diversity of the workforce of both the Fire and Police Departments.

In 2001, the Fire and Police Commission will work to increase minority and female representation by promoting employment with both public safety departments through recruitment at high schools, job fairs, community events, and among community groups. Special attention will be directed toward recruitment for Fire Cadet, Police Aide, and the entry-level Firefighter examination, which is planned for 2001. In 2001, the Fire and Police Commission will dedicate \$556,698 in funding to recruitment, entry-level testing, and promotional testing in order to maintain or increase diversity and quality in the Fire and Police Departments.

ACTIVITIES

- **Recruitment**
 - Police Aide Program
 - Police Officer
 - Fire Cadet Program
 - Firefighter
 - Non-sworn positions

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of total Police Officer appointments that are:			
Minority:	38.0%	33.0%	33.0%
Women:	18.0%	17.0%	17.0%
Percent of total Firefighters appointments that are:			
Minority:	33.0%	15.0%	15.0%
Women:	9.0%	5.0%	5.0%
Funding by Source:			
Operating Funds	\$475,389	\$504,260	\$556,698
Total:	\$475,389	\$504,260	\$556,698

Figure 1

Milwaukee Police Department Sworn Personnel Minorities and Women

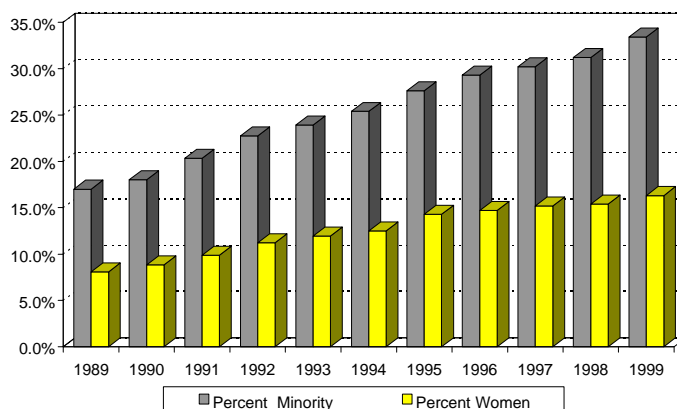
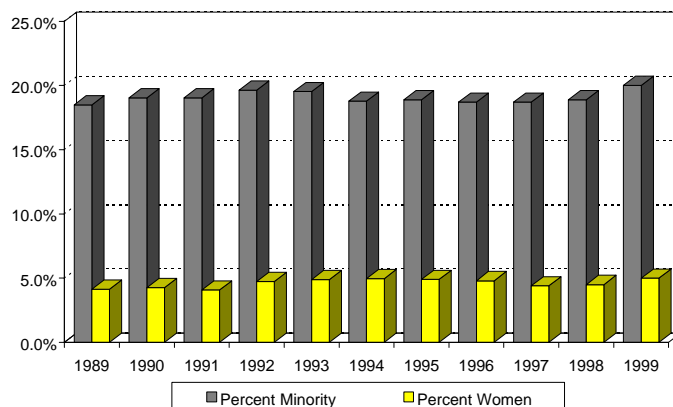


Figure 2

Milwaukee Fire Department Sworn Personnel Minorities and Women



- **Entry-level Testing**
 - Police Aide
 - Firefighter
 - Fire Cadet
 - Non-sworn positions
- **Promotional Testing**
 - Battalion Chief
 - Fire Lieutenant

PROGRAM CHANGES

Police Officer Examination: In 1996, the Fire and Police Commission hired an outside testing consult-

ant to revise the Police Officer selection process and develop a validated, job-related examination for the position of Police Officer. In 1997, the commission administered an interim Police Officer examination, which was developed by the consultant. In 1999, revised background procedures, developed by the consultant, were incorporated into the interim Police Officer selection process. The new fully developed Police Officer selection process, including a written cognitive exam, personality inventory, biographical inventory, psychological exam, oral examination, and physical ability test, began in late 2000 and will be completed in 2001.

OBJECTIVE 2

Ensure that the Fire and Police Departments have quality employees, appropriate policies and practices, and satisfactory performance as measured by the disciplinary, termination, resignation, and citizen complaint rate for new hires.

OUTCOME HISTORY

Performance toward this objective is measured by the overall disciplinary action, termination, resignation, and citizen complaint rate for police and fire recruits during their first four years of service. This measure allows the Fire and Police Departments to record and monitor the types of actions that are taken by or against new hires. It also enables the departments to best utilize the commission's oversight authority to ensure the quality and effectiveness of the Fire and Police Departments' personnel, policies, practices, and performance. This rate declined from 23% in 1998 to 20% in 1999.

The commission will spend approximately \$420,040 to support the goals of this objective. This funding will be dedicated to oversight of the Police and Fire Departments, including the support of the citizen complaint process and the disciplinary review process.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Disciplinary, termination, resignation and citizen complaint rate against new hires.	20.0%	10.0%	10.0%
Funding by Source:			
Operating Funds	\$404,712	\$372,547	\$420,040
Total:	\$404,712	\$372,547	\$420,040

PROGRAMS AND ACTIVITIES

Fire and Police Monitoring Oversight:

- Disciplinary review process
- Citizen complaint process
- Oversight of Police and Fire Departments' policies, practices, functions, and performance
- Outreach and community relations
- Implement Mayor's Commission on Crime recommendations

OTHER ACTIVITIES AND CHANGES

Mayor's Commission on Crime: In 2000, the Mayor formed a community-based commission to make recommendations on how to reduce violent crime in

the city by 50%. A major focus of the commission's findings and recommendations centered on increasing community involvement in crime prevention

efforts and improving the relationship between citizens and the Milwaukee Police Department. In 2001, Fire and Police Commission staff will work with the

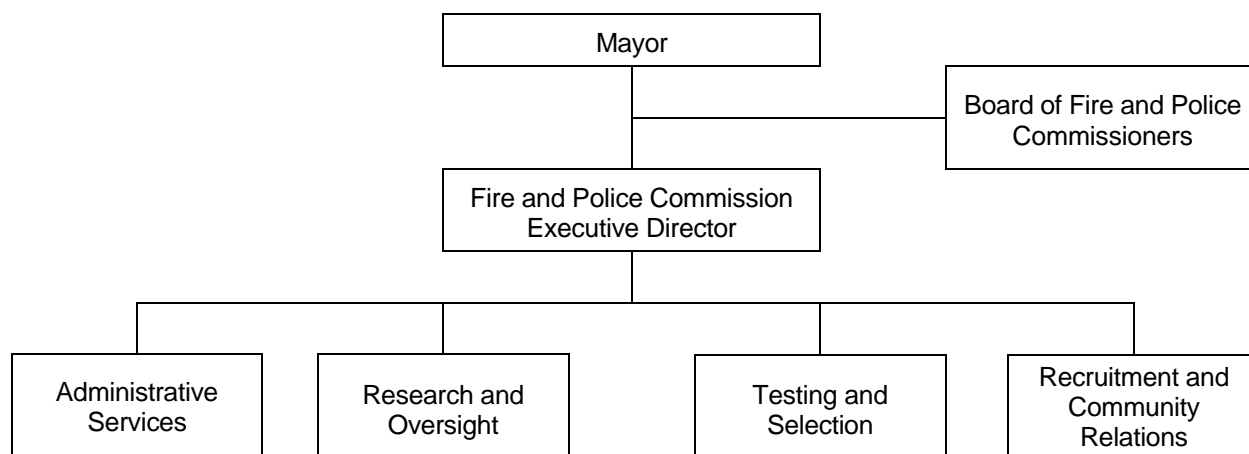
Police Department to implement the recommendations of the Crime Commission Report and improve community and police relations.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	11.24	10.65	10.40	-0.25
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	17	16	16	0
DLH - Operations and Maintenance	20,236	18,770	18,720	-50
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$592,897	\$554,940	\$579,326	\$24,386
Fringe Benefits	183,296	177,581	191,178	13,597
Operating Expenditures	101,338	144,286	200,484	56,198
Equipment	2,570	0	5,750	5,750
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$880,101	\$876,807	\$976,738	\$99,931

CAPITAL PROJECTS - None

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL- TIME EQUIV.	POSITION TITLE	REASON
0	-0.25	Various Positions (Operating Funding \$-12,609)	Experience Adjustment: Adjustment reflects increased vacancy assumptions.
0	-0.25	TOTAL	

FIRE DEPARTMENT

EXECUTIVE SUMMARY

- MISSION:** To protect people and property within the city. The department responds to the needs of citizens by providing rapid, professional, and humanitarian services essential to the health, safety, and well being of city residents.
- STRATEGIC ISSUES:** Timely provision of fire suppression, emergency medical, and other emergency services help make the city a desirable and safe place to live, work, and conduct business.
- Loss of firefighters to other jurisdictions is costly to the department both in terms of losing experienced personnel as well as training new recruits.
- INITIATIVES FOR 2001:** Continue to provide citizen information and education programs designed to prevent and minimize the effects of fire and other trauma, including the Firefighters Out Creating Urban Safety (FOCUS), Sesame Street, Elder Safe and Survive Alive Programs.
- Continue Operation First Responder Program that will allow fire companies to install smoke detectors and/or batteries on Emergency Medical Services calls.
- Increase investment in Fire Department apparatus to strengthen departmental emergency vehicle fleet and ensure public safety.
- Improve Fire Department emergency communications through staffing increases and investment in a new Computer Aided Dispatch (CAD) System.
- Continue to provide Tunnel Rescue Services to the Milwaukee Metropolitan Sewerage District.
- Continue to recruit individuals with roots in the community, thereby lessening losses of trained personnel to other jurisdictions.

BACKGROUND

The Milwaukee Fire Department has had responsibility for providing public safety services since 1875. The department currently operates 36 firehouses that are geographically organized into six battalions. Housed in these facilities are 37 engine companies, 16 ladder companies, 8 paramedic units, and 4 rescue squads. Some units have the added responsibilities of special teams: Dive Rescue, Hazardous Materials (Haz-Mat), and the Heavy Urban Rescue Team (HURT). In addition to fire suppression and other special emergency responses, these units also provide Emergency Medical Services (EMS).

In the 1970's, the department assumed responsibility for providing emergency medical services. Now EMS calls constitute nearly 80% of all requests to the Fire Department for emergency services. The de-

partment also participates in a system to provide basic life support services with private sector ambulance providers, and provides paramedic or advanced life support under Milwaukee County oversight.

The department has dramatically increased its fire prevention activities since the late 1980's. A high number of fire deaths in 1987 (31) forced the department to take an aggressive, interactive approach to fire prevention and safety education.

In 1997, the Fire Department began providing fire inspection services for public buildings. It also works with building managers to identify any potential fire hazards.

OBJECTIVE 1

Reduce the number of fire deaths through educating the public about services available in the City of Milwaukee that reduce the incidence of fire, morbidity, and negative environmental impacts.

OUTCOME HISTORY

Fire deaths ranged from a high of 31 in 1987 to a low of 4 in 1998. Figure 1 shows the continuing decline in the three-year moving average of fire deaths since the late 1980's. Reductions in the number of fire deaths have coincided with increased efforts in fire prevention. In the 2001 budget, \$12.6 million is allocated to this objective.

Many of the department's programs emphasize fire prevention, the idea being that fewer fires will create fewer situations where a fire death could occur. FOCUS, the department's major fire prevention program, is provided in areas of the city with the highest incidence of fires. In 1999, firefighters installed 1,586 smoke detectors and made visits to over 11,000 residences as part of this program.

Educational programs, such as Survive Alive House, teach children how to react when there is a fire in the home, including proper escape procedures and calling 9-1-1. Fire prevention programs like Sesame Street, Elder Safe, the Survive Alive House and others reached 155,418 citizens through 1,230 programs in 1999.

ACTIVITIES

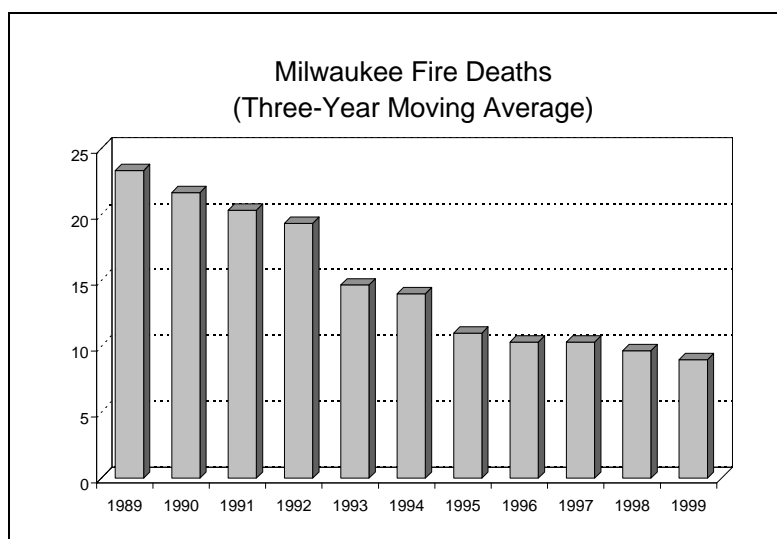
- Fire prevention
 - FOCUS Program
 - Survive Alive House/Mobile Survive Alive Trailers
 - Elder Safe Program
 - Operation First Responder
- Inspections

PROGRAM CHANGES

Survive Alive II: In the summer of 2000, the Milwaukee Fire Department received a second mobile Survive Alive Unit. The Survive Alive Mobile Units are important tools for teaching fire prevention and

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Three-year average number of fire deaths.	9.0	9.7	7.0
Funding by Source:			
Operating Funds	\$11,764,396	\$10,837,578	\$12,583,853
Special Purpose Accts.	9,845	9,900	0
Total:	\$11,774,241	\$10,847,478	\$12,583,853

Figure 1

fire safety awareness in the community. The addition of a second unit will allow the department to expand the Survive Alive Program and reach more children in 2001.

Operation First Responder: Currently, 80% of the calls received by the Fire Department request emergency medical services. Normally, the department will respond to these situations by dispatching a fire engine to the scene. However, medical care emergencies will rarely require the participation of all five individuals staffing an engine. In 2000, the department implemented a new program where the remaining personnel or the engine crew not directly providing medical assistance will check the residence for smoke detectors and replace smoke detector batteries if necessary. Due to its effectiveness as a fire prevention and suppression tool, the department will continue this program in 2001.

Program Result Measures: The measurement of fire deaths does not clearly speak to the effectiveness of the Fire Department's fire prevention programs. Number of fire deaths more approximately measure the effectiveness of fire education programs. One example is the Survive Alive House. This program's purpose is to teach children how to escape safely from a fire rather than how to prevent fires from starting.

With this in mind, a measure of the effectiveness of fire prevention programs is one that tracks the number of fires that occur. One such measure might monitor the number of single-family residential structure fires per 1,000 single-family residential properties. The department will continue efforts to

develop specific measures during 2001 to be included in the 2002 budget.

The department currently measures the number of participants, number of presentations and the number of smoke detectors installed to determine its ability to meet individuals to train them in fire prevention and fire education. The focus of these programs has mainly been on city youth.

The department also measures the time it spends performing fire inspections in public buildings. The department will continue to review these measures and update them as needed.

OBJECTIVE 2

Reduce effects of personal injury and property loss through timely provision of fire suppression, emergency medical, and other emergency services.

OUTCOME HISTORY

In 1999, the Fire Department responded to roughly 61,800 incidents; 12.3% of these were false alarms. Response time to these incidents totaled five minutes or less in 93.1% of all cases. The 1999 response time data shows improvement in this area over past years. For example, in 1996, 92.4% of calls were responded to within five minutes and 90.56% in 1995.

Figure 2 illustrates that response times tend to lengthen during the winter months when weather conditions can adversely affect travel. However, the trend line indicates that the percentage of calls responded to in five minutes or less has risen over the past two years.

In 2001, \$68.6 million in operating resources will contribute to a total of \$77.1 million focused on meeting this objective.

ACTIVITIES

- EMS operations
- Fire suppression
- Special teams emergency services

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of responses within five minutes of call.	93.1%	94.0%	95.0%
Funding by Source:			
Operating Funds	\$66,664,907	\$57,101,187	\$68,612,870
Grant and Reimbursable	0	4,378,322	4,725,228
Capital Budget	412,512	1,600,000	3,789,900
Special Purpose Accts.	51,505	56,100	0
Total:	\$67,128,924	\$63,135,609	\$77,127,998

- Haz-Mat
- HURT
- Dive Rescue
- Facility and equipment maintenance
- Inspections

PROGRAM CHANGES

Equipment Replacement Program: In preparation of the 2001 budget, a review of the Fire Department's large equipment fleets (engines, ladders and ambulances) was conducted to determine an adequate replacement cycle. The review considered the age, mileage and usage of the vehicles as well as the maintenance time and costs for each type of equipment. The 2001 budget includes increased funding of

\$790,000 for the purchase of an additional ladder and engine truck. The 2001 budget would allow the department to purchase three engine (pumper) trucks, two aerial ladder trucks, and two ambulances.

This increased investment in Fire Department equipment will improve the emergency vehicle fleet and safeguard the public.

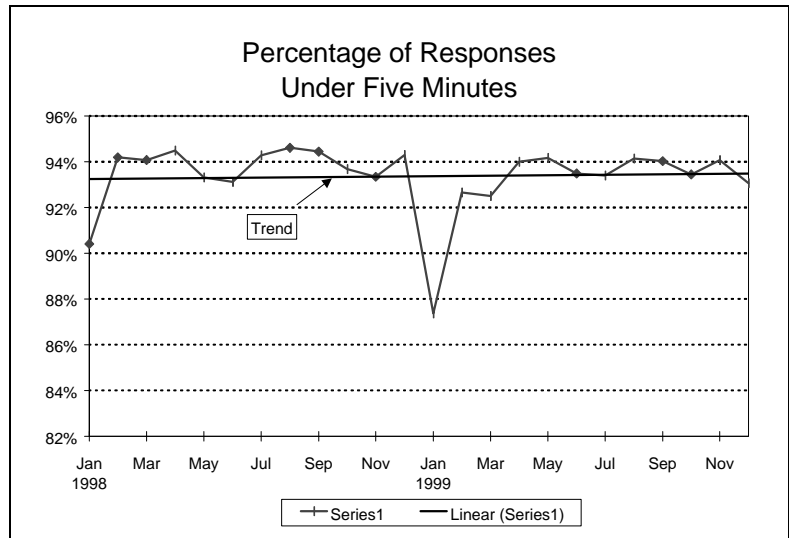
Basic Life Support (BLS) Services - Update:

The 2000 budget contained several changes to the Fire Department's provision of Emergency Medical Services (EMS). The department's paramedic engines were converted to MED units and for the first time, the department was allowed to transport and charge BLS patients. As part of this conversion, the Fire Department now responds to calls turned back from private ambulance service providers due to the unavailability of private units. This was a change from past practice, where a second private provider would be dispatched if the primary provider were not available.

The department began transporting and charging BLS patients in May, 2000 and transported approximately 600 patients within the first three months of the conversion (civilian transports). The department also established a billing system for these transports in 2000. In 2001, it is estimated that revenues received from Medicare and Medicaid for BLS transports will total \$150,000.

Emergency Medical Service – Paramedic Bike Response: In 2000, the Fire Department received a donation of six bicycles and initiated a new Paramedic Bike Response Program. The program expands the options for emergency medical response available in

Figure 2



situations of large crowds or congested areas. Most importantly, the Paramedic Bike Response Program provides faster response times for emergencies occurring in large gatherings. The department plans to expand and increase the use of this program in 2001 – the first full year the program will be in effect.

Tunnel Rescue Services: In 2000, the Fire Department's Heavy Urban Rescue Team (HURT) expanded its duties to include tunnel rescue services. Per an agreement entered into by the Metropolitan Sewerage District (MMSD) and the city, MMSD will reimburse the city the cost of training HURT members and equipment purchases. In exchange, the team will be available if emergency services are needed for MMSD sewer projects. While the contract will be renewed on an annual basis, the 2001 reimbursement to the city for these services is estimated to be \$178,000.

OTHER ACTIVITIES AND CHANGES

Fire Department Dispatch Functions: The 2001 budget includes two new positions of Fire Equipment Dispatcher. The addition of these positions will allow the department to ensure adequate staffing of the MFD dispatch center in light of steep increases in call volume. Emergency calls received by the Fire Department have increased 19% between 1990 and 1999

to over 104,800 annually. Budgetary costs for positions are approximately \$60,000 (excluding fringe benefits). The addition of these positions combined with the investment in a new CAD system in 2001 will significantly improve the Fire Department's dispatch services.

CAPITAL IMPROVEMENTS

The Fire Department is responsible for maintenance of its facilities and computer systems. The department is in the process of upgrading and replacing its existing Computer Aided Dispatch System (CAD). The 2001 capital budget includes approximately \$2.5 million to complete the funding needed to upgrade the CAD system (\$1.5 million was appropriated in 2000).

Engine house ventilation upgrades of \$100,000, window replacement program of \$100,000, and \$980,000 for renovations to Engine #31 (2400 South 8th Street) are included in the 2001 budget to improve environmental conditions within fire stations.

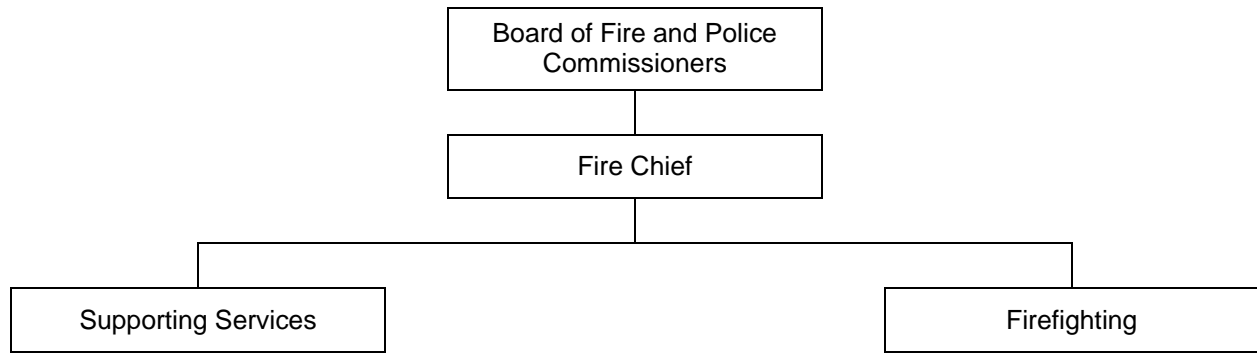
The budget also includes \$150,000 for the shop preparatory account. In 2001, the shop locker, shower and mask repair room will be updated and renovated.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	1,174.80	1,127.20	1,144.25	17.05
FTEs - Other	0.00	75.00	75.00	0.00
Total Positions Authorized	1,125	1,146	1,148	2
DLH - Operations and Maintenance	2,701,966	2,491,401	2,585,118	93,717
DLH - Other Funds	0	165,525	172,725	7,200
EXPENDITURES				
Salaries and Wages	\$59,382,823	\$50,185,786	\$57,124,994	\$6,939,208
Fringe Benefits	13,726,505	12,546,447	18,279,999	5,733,552
Operating Expenditures	3,153,202	3,496,528	3,076,685	-419,843
Equipment	2,166,773	1,644,004	2,638,605	994,601
Special Funds	61,350	66,000	76,440	10,440
TOTAL	\$78,490,653	\$67,938,765	\$81,196,723	\$13,257,958
REVENUES				
Charges for Services	<u>\$5,628,600</u>	<u>\$1,210,000</u>	<u>\$1,300,000</u>	<u>\$90,000</u>
TOTAL	\$5,628,600	\$1,210,000	\$1,300,000	\$90,000

CAPITAL PROJECTS - Includes \$3.8 million for the following projects:

a. Computer Aided Dispatch System	\$2,459,900
b. Alterations at Engine #31	\$980,000
c. Shop Preparatory Account	\$150,000
d. Window Replacement Program	\$100,000
e. Toilet and Ventilation Separation	\$100,000



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Support Services Division			
-1	-1.00	Fire Financial Officer (Operating Funding \$-44,100)	Reclassification of position.
1	1.00	Management and Account Officer (Operating Funding \$47,854)	
-1	-1.00	Systems Analyst Lead (Operating Funding \$-66,463)	
1	1.00	Information Technology Manager (Operating Funding \$66,463)	
-1	-1.00	Asst. Chief Dispatcher of Fire Alarm (Operating Funding \$-51,801)	Civilianization.
1	1.00	Fire Dispatch Supervisor (Operating Funding \$52,852)	
2	2.00	Fire Equipment Dispatcher (Operating Funding \$60,000)	Improve management of 9-1-1 calls and requests for emergency services.
0	15.05	Miscellaneous (Operating Funding \$0)	Refinement of FTE calculation.
2	17.05	TOTAL	

HEALTH DEPARTMENT

EXECUTIVE SUMMARY

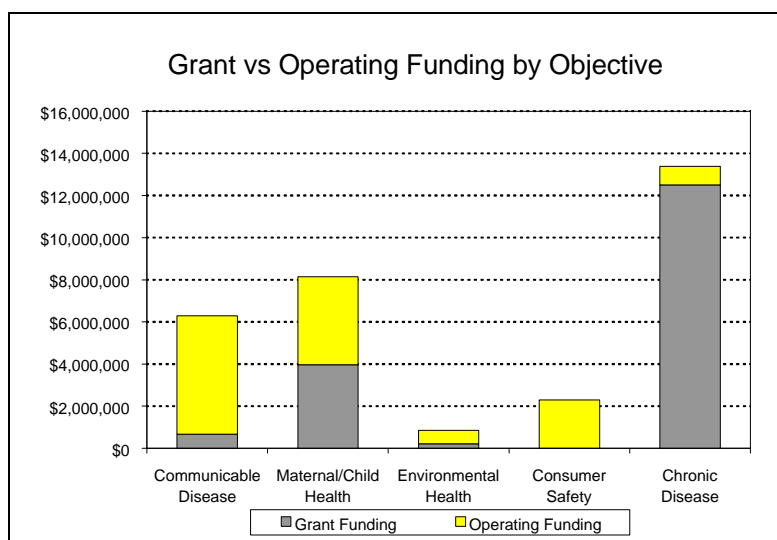
MISSION:	To ensure that services are available to enhance the health of individuals and families, promote healthy neighborhoods, and safeguard the health of the Milwaukee community.
STRATEGIC ISSUES:	<p>Prevent and control communicable and chronic diseases in Milwaukee.</p> <p>Promote maternal and child health and safety.</p> <p>In coordination with the Department of Neighborhood Services, improve the environmental quality in Milwaukee.</p> <p>Protect the public from unsanitary and unhealthy consumer products and services.</p>
INITIATIVES FOR 2001:	<p>Implement new fetal infant mortality review recommendations.</p> <p>Promote enrollment in BadgerCare and other human services programs.</p> <p>Improve preparedness for bio-terrorism and other public health emergencies.</p> <p>Integrate health promotion programming for youth including tobacco, nutrition, violence, pregnancy, and sexually transmitted diseases.</p> <p>Continue implementation of commercial inspection database and client tracking system.</p> <p>Link lead hazard abatement to property liability protection.</p> <p>Promote increased departmental efficiency through position changes.</p>

BACKGROUND

The Health Department has served residents of the City of Milwaukee since 1867. Today, the department focuses its efforts on public health assessment, policy development and leadership, and assuring service availability and accessibility. The Health Department operates from seven locations throughout the city, including five health centers and one remote clinic site.

The Health Department's 2001 budget reflects the continuation of the department's reorganization. The reorganization, initiated in 2000, sought to promote internal coordination and efficiency through a simpler and flatter organizational structure. In 2001, the department

Figure 1



will continue to work towards greater internal coordination and efficiency. To better facilitate this increased internal coordination and efficiency, the Director of Family and Community Health Services position has been modified to a Health Operations Administrator position. This position will monitor the day-to-day administration of the Health Department allowing the Health Commissioner to focus on community health interactions as well as policy development and implementation.

The Health Department's reorganization has led to greater operational efficiencies. As a result of these efficiencies, a Public Health Nurse Supervisor, Office Assistant II, and the Chronic Disease Division Manager have been eliminated for the 2001 budget.

In 2001, the Health Department will continue to receive a significant amount of grant funding. As seen in Figure 1, the Health Department expects to supplement its \$13.6 million in operating funding with \$17.4 million in grants in 2001.

OBJECTIVE 1

To reduce the incidence of communicable disease in Milwaukee as measured by increasing the immunization level of two-year olds to 90%.

OUTCOME HISTORY

Having children appropriately immunized reduces the rate of future communicable diseases. The Health Department is progressing towards its objective of having 90% of two-year olds with age-appropriate immunizations. This objective is used as one indicator of likely future communicable disease infection rates. In 1999, the estimated rate rose to 72.2% an increase of 1.69% over the previous year's experience.

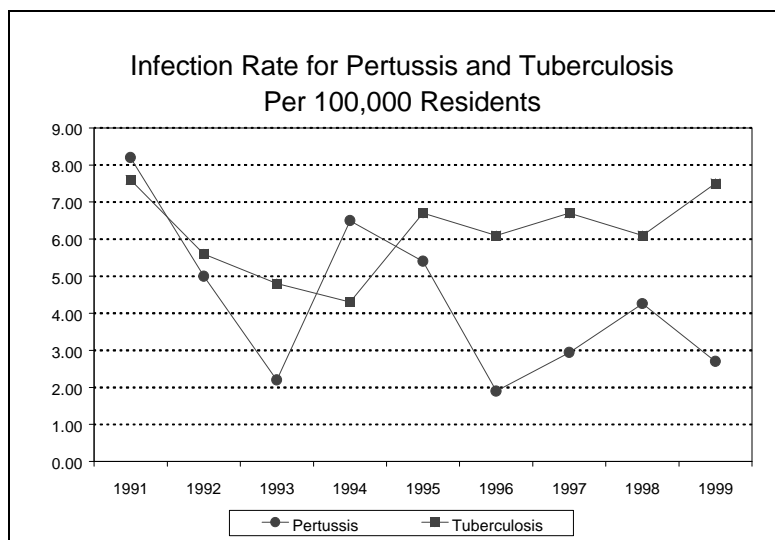
Figure 2 shows the rate of pertussis and tuberculosis infection in the city. Pertussis infection, mostly among children, has decreased 67.1% since 1991 while tuberculosis, mainly an adult disease, has decreased by 1.3% in the same time period. This suggests that while efforts to immunize children are successful, other challenges remain in protecting adults from communicable disease. The Health Department plays a role in reducing communicable disease infections by educating families, performing immunizations, when necessary, and reducing the conditions under which communicable diseases spread. The 2001 budget allocates \$6.6 million to communicable disease control.

Program Result Measures: The Health Department uses a number of program result measures

to monitor the workload and activities of its staff. Indicators for communicable disease include inci-

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Percent of two-year olds immunized.	72.2%	79.0%	82.0%
Funding by Source:			
Operating Funds	\$5,750,002	\$6,340,193	\$5,616,188
Grant and Reimbursable	388,213	1,002,881	677,975
Capital Budget	414,317	28,200	0
Special Purpose Accts.	305,872	309,200	309,200
Total:	\$6,858,404	\$7,680,474	\$6,603,363

Figure 2



dence of vaccine preventable diseases per 100,000 people and the percent of tuberculosis cases completing therapy within twelve months.

PROGRAMS

- Immunization delivery, registry and tracking
- Tuberculosis control
- Sexually transmitted disease surveillance and treatment
- HIV/AIDS prevention
- Water-borne and food-borne illness control
- Communicable disease surveillance (SURVNET)
- Communicable disease laboratory services

PROGRAM CHANGES

Public Health Emergency Preparedness: In 2001, the Health Department will work towards greater public health emergency preparedness. The Health Department has augmented its ability to respond quickly to communicable disease outbreaks, bioterrorism, and other emergencies (such as floods or heat waves) by integrating medical, nursing, environmental and epidemiologic staff and through grant funded initiatives like the SURVNET tracking system and adding a second epidemiologist. These changes greatly assisted the department's response to the recent outbreak of E.coli in the city. Improvements in the department's Client Tracking System will enable the new Wisconsin Immunization Registry to display all department-administered vaccinations for medical and school records.

OBJECTIVE 2

To promote the health and safety of women and children in Milwaukee as measured by reducing the five-year average infant mortality rate to nine deaths per 1,000 live births.

OUTCOME HISTORY

The infant mortality rate in 1999 experienced a decrease to 10.9% (estimate) from 12.1% in 1998. Infant mortality serves as a measurement of the health of the city's children. Although overall city infant mortality is on the decline, there is a disparity between white and non-white infants (see Figure 3).

The 2001 Health Department budget dedicates \$8.2 million to promote maternal and child health, which includes over \$3.9 million in state and federal grants.

Program Result Measures: The scope of activities to promote maternal and child health is vast. The Health Department has created internal management indicators and result measures to cover areas such as prenatal care, school-based services and lead poisoning prevention. Two of these result measures include the percent of infant guardians who report placing infants to sleep on their backs, and percent of newly screened children age one to five with blood lead levels exceeding 9mcg/d.l.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Infant mortality rate (five-year average).	10.9 (estimate)	12.0	12.0
Funding by Source:			
Operating Funds	\$4,225,217	\$4,125,441	\$4,175,245
Grant and Reimbursable	5,075,144	3,900,947	3,968,124
Capital Budget	304,448	28,200	27,600
Total:	\$9,604,809	\$8,054,588	\$8,170,969

PROGRAMS

- Prenatal and reproductive health
- Care coordination
- Infant and pre-school health
- School-age children health including School Nurse Program
- Childhood lead poisoning prevention and treatment
- WIC
- Newborn screening
- Adolescent School Health Program
- Campaign for Our Children
- Milwaukee Metropolitan Adolescent Pregnancy Prevention Consortium

- Sudden Unexpected Infant Death Services
- Violent and Unintentional Injury Prevention
- Refugee Child Health
- Fetal Infant Mortality Review
- Vital Statistics/MCH Data Institute
- HealthCheck Screening Clinics

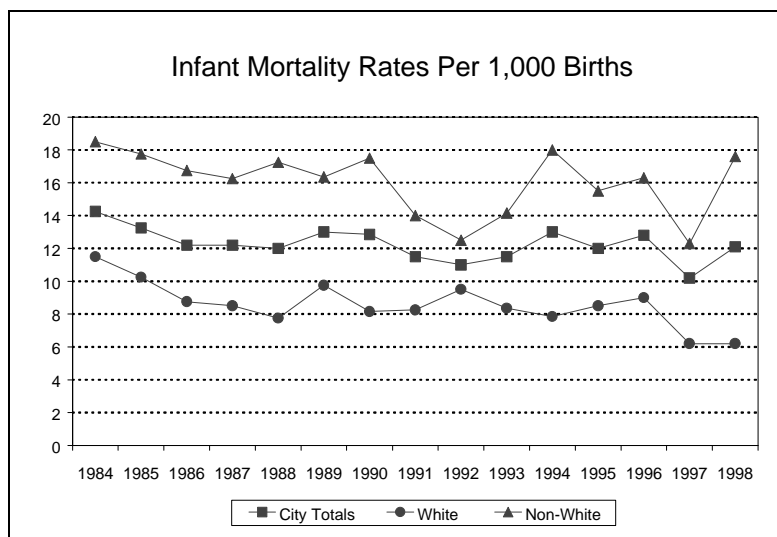
PROGRAM CHANGES

State Consolidated Contract: Included in the 2000 budget was the first year of implementation of the State of Wisconsin Division of Public Health Consolidated Contract Agreement. This contract includes six grant budgets that were previously awarded individually to the Milwaukee Health Department. The six budgets include: MCH-MA/BadgerCare Outreach, MCH-Adolescent School Health Program, Childhood Lead Poisoning Prevention Program, Immunization Program, Preventive Health and Health Services, and Wisconsin Women's Cancer Control Program. The new Consolidated Contract Agreement is a performance-based contract. Performance will be based on the success of attaining objectives set in each area specific to that grant. Mid-year 2000 evaluations are being prepared at this time. The 2001 budget does not anticipate funding changes for the Consolidated Contract for the second year of implementation.

School Based Services: The recent decentralization of Milwaukee Public Schools has placed individual schools in charge of much of their expenditure authority. Acting upon decisions made by these individual schools, who chose not to purchase the services of the Health Department within their schools, the Intergovernmental Transfer Agreement between Milwaukee Public Schools and the Health Department, in place since 1998, has been modified for the 2001 budget. In 2001, Milwaukee Public Schools will provide \$819,117 for public health functions to the Health Department. Of these funds, \$185,943 will be used to provide in-school nursing services. The remaining fund, \$633,174 will be used to provide Milwaukee Public Schools system-wide public health functions.

In previous years in-school nursing services were provided to all Milwaukee Public Schools. The 2001

Figure 3



budget provides services to 4 high schools, 13 middle schools, 3 kindergarten through eighth grade schools, and 32 elementary schools. The remaining schools will have their in-school nursing services provided by other providers. To reflect this change in service, nine Public Health Nursing positions have been left unfunded as auxiliary positions in the 2001 budget.

As a result of this changed relationship there will now be 17.67 full-time equivalents (FTEs) serving Milwaukee Public Schools in 2001. Of these 17.67 FTEs, 4.0 FTEs will be provided through Public Health Nursing positions. These numbers do not include the grant positions for the Adolescent School Health Program (8.8 FTEs), the Immunization Grant (3.0 FTEs), or any other grant that works with school-aged children. To coordinate this new relationship with Milwaukee Public Schools, the 2001 budget includes the addition of a School Health Manager position.

Fetal Infant Mortality Review Recommendations:

In 2001, the department will complete an analysis of 1999 infant deaths that will generate new recommendations for policies and services to support families. The new department organization integrates most service units for families experiencing pregnancy or raising young children (including WIC and immunization programs) in a single division for improved coordination and outreach.

OBJECTIVE 3

To improve the city's environmental quality as measured by the volume of total hazardous materials released into the air.

OUTCOME HISTORY

The Health Department's environmental quality programs aim to protect the city's residents from environmental hazards. A major focus of the Health Department is to prevent and reduce human health conditions related to air, water, soil, commercial and home settings, often in cooperation with other agencies. The department's environmental technology section actively monitors, investigates, regulates intervenes, and provides technical assistance regarding several health concerns. These concerns include drinking water quality, beach conditions, outdoor and indoor air quality, and contamination of properties. The 2001 budget includes \$847,932 in operating and grant funding for environmental quality.

Program Result Measures: In the area of environmental quality, the Health Department focuses on hazardous materials, water quality and environmental screening. Indicators used by the Health Department to monitor environmental quality the percentage of swimming season days exceeding single-day E. coli threshold, and the percentage of new tax delinquent properties listed as "OK to Acquire" plus "Withheld from Foreclosure" within four months.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Weight (in pounds) of total hazardous materials released into the air.	1,450,000	1,600,000	1,100,000
Funding by Source:			
Operating Funds	\$648,709	\$786,259	\$637,577
Grant and Reimbursable	126,817	59,245	210,355
Capital Budget	46,743	28,200	0
Total:	\$822,269	\$873,704	\$847,932

PROGRAMS

- Air hygiene and air toxic management
- Hazardous and toxic materials management
- Water quality control
- Emergency preparedness and response
- Land use and development
- Tattoo and piercing establishment inspections

PROGRAM CHANGES

Lead Hazard Abatement and Property Liability Protection: A new state law enables rental property owners to reduce their exposure to liability by making their properties lead-safe for children. In 2001, the Lead Poisoning Prevention Program will continue to prepare new initiatives that will use these incentives to increase the proportion of the city's housing stock that is lead-safe.

OBJECTIVE 4

Improve the quality and safety of health-related consumer products and services as measured by the percent of establishments with critical violations on the initial inspection.

OUTCOME HISTORY

The Health Department measures the percent of food establishments with critical violations on the initial inspection. In 1999, 51.7% of establishments had at least one critical viola-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of establishments which have critical violations on the initial inspection.	51.7%	Actual 51.0%	50.0%
Funding by Source:			
Operating Funds	\$2,338,733	\$2,111,984	\$2,303,092
Capital Budget	168,518	28,200	0
Total:	\$2,507,251	\$2,140,184	\$2,303,092

tion. To lower this rate, the Health Department is increasingly focusing on Hazard Control and Critical Event Pathways. In 1999, the department investigated 38 possible food-borne outbreaks (see Figure 4) that involved over 121 potentially exposed persons. This figure is related to both commercial and non-commercial (in-home) food sources.

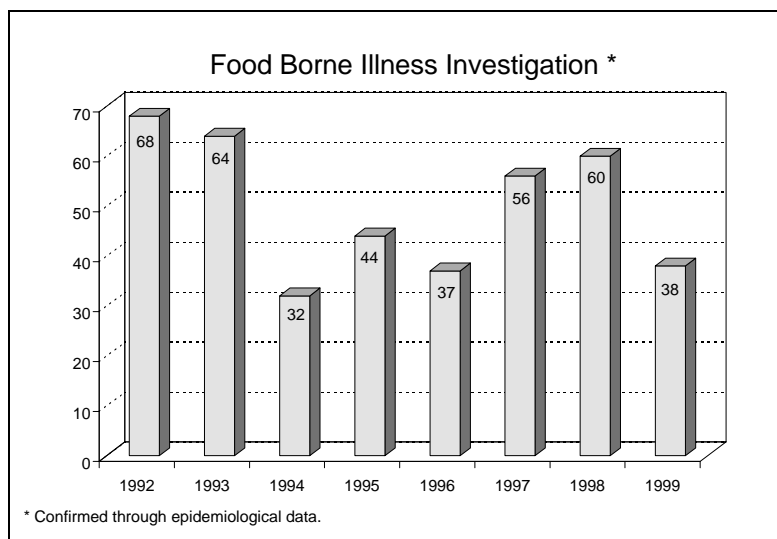
In 2001, the Health Department will dedicate \$2.3 million towards improving the quality and safety of health-related consumer products and services.

Program Result Measures: Indicators and measures for this objective focus on ensuring that licensees are compliant with regulations and the public health impact of food-borne illnesses. For example, the Health Department measures the number of people who are affected by known food-borne illnesses and percent of licensed establishments with three or more re-inspections for orders.

PROGRAMS

- Food control
- Weights and measures
- Sales ordinance enforcement
- Fire Inspections (in Health Department permitted facilities)

Figure 4



PROGRAM CHANGES

Commercial Inspection Database and Client Tracking System: In 2001, the Health Department will have a commercial inspection database and client tracking system in place. The department is currently replacing paper records with new software to permit electronic tracking of licenses and inspection. This automation permits rapid retrieval and analysis of safety violations and improved ability to focus on problem areas.

OBJECTIVE 5

To improve the health status of adults living in Milwaukee and reduce the total five-year average premature death rate from breast cancer, smoking-related cancers, and cardiovascular disease to 1.65 per 1,000 people.

OUTCOME HISTORY

Similar to national trends, death rates from cardiovascular disease have declined significantly over the last decade, but total deaths from cancer, chronic obstructive lung disease and other causes remain little changed. Many of these disorders are related to behaviors, habits or exposures that began decades ago. Early detection of some diseases can reduce the

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Five-year average premature death rate.	1.47 (1998)	1.60	1.50
Funding by Source:			
Operating Funds	\$880,786	\$818,794	\$877,931
Grant and Reimbursable	8,186,984	10,855,195	12,500,663
Capital Budget	63,465	28,200	601,600
Total:	\$9,131,235	\$11,702,189	\$13,980,194

chance of death and disability. The budget for 2001 includes \$877,931 in operating funding, \$12,500,663

in grant funding, and \$601,600 in capital funding to promote adult health.

Program Result Measures: The Health Department is particularly concerned with tobacco use among adults and children. To measure this usage, the Health Department monitors the percent of adults who use tobacco products as well as the percent of youths in grades 9–12 that have used any tobacco products.

PROGRAMS

- Cardiovascular risk reduction (hypertension, cholesterol, diet, exercise, and smoking)
- City employee occupational health services
- Health screening services
- Milwaukee Breast and Cervical Cancer Awareness Project (mammography case management)
- Tobacco Use Prevention
- Municipal Health Services Program (MHSP)
- Community Nutrition Program
- Employee Assistance Program

PROGRAM CHANGES

Integration of Youth Health Programs: Many of the risk factors for chronic diseases begin as behaviors, habits, and addictions among school-aged children and adolescents. The Health Department's reorganization integrates youth and adult services from smoking prevention to violence initiatives through breast cancer screening. This increases the visibility and deepens the experience-base for department's emphasis on disease prevention. In 2001, the department will continue to promote greater integration of programs.

Enrollment Promotion: The community's capacity for prevention and treatment relies on access to medical care. In 2001, the department will continue to intensify its efforts to help families find insurance and primary health care through its MA outreach and MHSP grants, facilitating the BadgerCare Coordinating Committee, and serving the Milwaukee County Health Care Policy Taskforce.

OTHER ACTIVITIES AND CHANGES

Position Changes: The 2001 budget reflects a number of position changes from the 2000 adopted budget. These positions reflect the Health department's determination to move towards increased operational efficiency. These position changes have been made outside of those due to the department's reorganization. A Network Analyst Assistant I position has been added to reflect increased information technology workload. An Office Assistant II position has been added for the Tax Delinquent Property Screen-

ing/Phase I review. A Laboratory Assistant II position has been added and will partially be funded by the Lead Pilot Project Grant. One Custodial Nursing position has been eliminated to reflect the redistribution of the Health Education Assistant position as well as the change in scope of the Buildings and Ground custodial staffing. Finally, a vacant Administrative Specialist-Senior has been eliminated as a part of the 2001 budget.

CAPITAL IMPROVEMENTS

Mechanical Maintenance Projects: The 2001 capital budget includes \$59,000 to replace the unit heaters at Coggs Health Center.

Exterior Building Maintenance Projects: The 2001 capital budget includes \$355,500 to replace the windows and to tuckpoint and paint the exterior at Coggs.

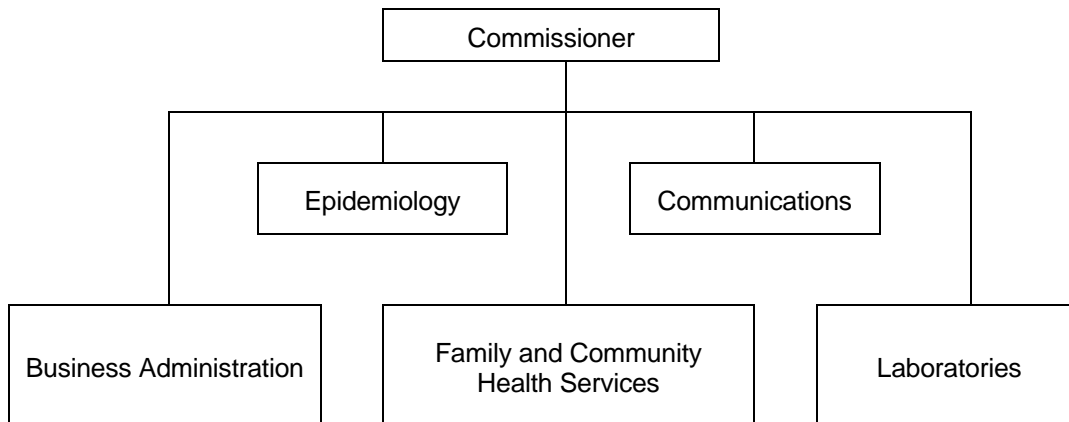
The 2001 capital budget also includes \$177,100 to replace the windows at Johnston Health Center. Finally, the 2001 capital budget includes \$27,600 to repave the alley and driveway as well as to restripe the parking lot at Keenan Health Center. There is an additional \$10,000 included in the 2001 capital budget for unanticipated costs or cost overruns.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	217.96	242.05	223.75	-18.30
FTEs - Other	90.00	110.30	102.40	-7.90
Total Positions Authorized	378	374	368	-6
DLH - Operations and Maintenance	392,329	435,690	402,750	-32,940
DLH - Other Funds	162,000	198,540	184,320	-14,220
EXPENDITURES				
Salaries and Wages	\$8,957,208	\$9,249,374	\$8,697,429	\$-551,945
Fringe Benefits	2,749,411	2,959,800	2,870,152	-89,648
Operating Expenditures	1,937,310	1,850,463	1,913,672	63,209
Equipment	78,433	12,034	15,100	3,066
Special Funds	<u>121,085</u>	<u>111,000</u>	<u>113,680</u>	<u>2,680</u>
TOTAL	\$13,843,447	\$14,182,671	\$13,610,033	\$-572,638
REVENUES				
Charges for Services	\$1,375,300	\$1,963,600	\$1,075,700	\$-887,900
Licenses and Permits	1,209,800	0	1,208,200	1,208,200
Intergovernmental Aids	<u>-100</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$2,585,000	\$1,963,600	\$2,283,900	\$320,300

CAPITAL PROJECTS - Includes \$629,200 for the following projects:

- | | |
|---|-----------|
| a. Replace unit heaters at Coggs. | \$59,000 |
| b. Replace windows, tuckpoint and paint exterior at Coggs. | \$355,500 |
| c. Replace windows at Johnston. | \$177,100 |
| d. Repave alley and driveway, and restripe parking lot at Keenan. | \$27,600 |
| e. Unanticipated costs or overruns. | \$10,000 |

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
1	1.00	Health Operations Administrator (Operating Funding \$77,950)	Position changed to reflect changes in responsibilities.
-1	-1.00	Director of Family and Community Health Services (Operating Funding \$-79,144)	
-1	-1.00	Systems Coordinator (Operating Funding \$-58,494)	
1	1.00	Network Administrator (Operating Funding \$66,871)	
1	1.00	Accounting Assistant II (Operating Funding \$28,583)	
-1	-1.00	Accounting Assistant I (Operating Funding \$-29,129)	
-1	-1.00	Environmental Health Tech. Mgr. (Operating Funding \$-66,463)	
1	1.00	Disease Control and Prevention Mgr. (Operating Funding \$69,828)	
-1	-1.00	LIS/Quality Assurance Coordinator (Operating Funding \$-48,686)	
1	1.00	Systems and Administrative Coordinator (Operating Funding \$54,378)	
-2	-2.00	Laboratory Assistant I (Operating Funding \$-55,728)	
2	2.00	Laboratory Assistant II (Operating Funding \$57,706)	
1	1.00	Microbiologist III (Operating Funding \$44,744)	
-1	-1.00	Microbiologist II (Operating Funding \$-42,083)	
1	1.00	Network Analyst Assistant I (Operating Funding \$43,333)	Position added to reflect increased workload.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Public Health Nurse Supervisor (Operating Funding \$-58,494)	Reorganization of the supervisor structure.
-1	-1.00	Public Health Nurse Supervisor (Operating Funding \$-45,798)	Change of position title.
1	1.00	Staff Development Coordinator (Operating Funding \$33,884)	
-1	-1.00	Public Health Planning Manager (Operating Funding \$-66,463)	
1	1.00	Health Access and Adult Health Mgr. (Operating Funding \$69,823)	
-1	-1.00	Consumer Protection Manager (Operating Funding \$-66,463)	
1	1.00	Consumer Environmental Protection Health Manager (Operating Funding \$69,828)	
0	-1.00	Office Assistant II (Operating Funding \$-22,000)	Position change to reflect changes due to reorganization.
-1	-1.00	Custodial Nursing Assistant (Operating Funding \$-26,294)	Redistribution of the Health Education Assistant and the change in scope of buildings and grounds custodial staff.
0	0.00	Nutritionist (Operating Funding \$0) (Non-Operating Funding \$0)	Change from operating-funded to grant-funded position.
-1	-1.00	Chronic Disease Division Manager (Operating Funding \$-58,469)	Reorganization of the division manager structure.
-1	-1.00	Community Service Specialist - Senior (Operating Funding \$-36,989)	Reclassification of position.
1	1.00	Injury and Prevention Program Coordinator (Operating Funding \$47,865)	
0	0.00	Nutritionist Coordinator (Operating Funding \$0) (Non-Operating Funding \$0)	Change from grant-funded to operating-funded position.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
0	0.00	Environmental Hygienist (Operating Funding \$41,804) (Non-Operating Funding \$-38,083)	Change from grant-funded to operating-funded position.
1	1.00	Office Assistant IV (Operating Funding \$22,905)	New position for the Tax-Delinquent Property Screening/Phase I review.
1	1.00	Laboratory Assistant II (Operating Funding \$14,427) (Non-Operating Funding \$14,427)	New position created through and partially-funded by the Lead Pilot Project Grant.
0	-1.00	Custodial Worker II - City Laborer (Operating Funding \$-26,603)	Reorganization of employment duties based on departmental needs.
-1	-1.00	Administrative Specialist - Senior (Operating Funding \$-42,696)	Elimination of a vacant position.
1	1.00	School Health Manager (Operating Funding \$21,482) (Non-Operating Funding \$22,297)	Position added to reflect changed relationship with Milwaukee Public Schools.
0	-2.00	Public Health Nurse Keenan Health Center (Operating Funding \$-63,728)	Unfunded positions moved to auxiliary.
0	-2.00	Public Health Nurse Southside Health Center (Operating Funding \$-63,728)	
0	-5.00	Public Health Nurse Northwest Health Center (Operating Funding \$-167,646)	
0	-4.75	Various Operating Positions (Operating Funding \$-183,436)	Adjustment reflects increased vacancy assumptions.
0	-2.30	Experience Adjustment (Operating Funding \$0)	
-6	-6.95	Various Grant Positions (Non-Operating Funding \$-227,240)	Changes in grant-funded positions.
0	-1.20	Experience Adjustment (Non-Operating Funding \$0)	
-6	-26.20	TOTAL	

LIBRARY

EXECUTIVE SUMMARY

MISSION:	To provide materials, services, and facilities for the citizens of Milwaukee and others in order to meet present and future informational needs, and to raise the level of civilization in Milwaukee.
STRATEGIC ISSUES:	<p>Provide collections, services, and programs to enhance the long-term economic well-being of our community and meet the informational needs of a diverse population.</p> <p>Provide Milwaukee citizens with a competitive advantage through technology.</p> <p>Continue to assure that all Milwaukee citizens will have access to current and future forms of information.</p>
INITIATIVES FOR 2001:	<p>Improve the Milwaukee Public Library's presence in the community through partnerships, collaboration and outreach efforts and programs.</p> <p>Increase the use of the Milwaukee Public Library through remote WEB access.</p> <p>Revise and strengthen the "Milwaukee Reads" literacy plan.</p> <p>Begin initiatives to increase the number and use of library cards.</p> <p>Provide computer training for staff in computer technology and customer service, and provide training for the public at all libraries.</p> <p>Continue operation of Sunday hours at Central and two neighborhood libraries.</p> <p>Begin planning for the redevelopment of Finney Library.</p> <p>Increase public awareness of reciprocal borrowing issues by education, collection enhancement, and neighborhood facility renovations.</p> <p>Eliminate neighborhood bookmobile services.</p>

BACKGROUND

The Milwaukee Public Library System, the largest public library system in the State of Wisconsin, consists of the Central Library and 12 neighborhood libraries located throughout the city. The Central Library serves as the resource library for the Milwaukee County Federated Library System (MCFLS). Milwaukee Public Library also serves as the administrator and headquarters for the Wisconsin Regional Library for the Blind and Physically Handicapped.

In terms of resources, the Library operates a computer network system that allows patrons access to

innumerable databases through CD-ROM and the Internet. The Library currently offers a collection of over 2.5 million volumes, as well as over 1 million government documents, 183,000 maps, 6,400 periodicals, 73,000 audio and visual materials, and numerous archival collections.

In addition, each neighborhood library offers balanced collections and programs which are of particular interest to the residents living in the library's neighborhood. Specialized collections are provided according to the library's role in the community.

Examples include job and career centers, adult literacy collections, business development resources, and cultural resources. The Library's 2001 operating

budget totals \$20,480,576. In addition, the library will receive \$926,005 in grant funding and \$3,460,000 in capital funding.

OBJECTIVE 1

Respond to the informational needs of the city's diverse population by increasing the number of library cardholders, computer use, and visits.

OUTCOME HISTORY

The Library's circulation, reference, and in-house use total for 1999 was 10.4 uses per capita, down slightly from 1998 levels of 10.9 (see Figure 1). In 1999, the Library registered 44,435 new users, a decrease of 20% from 1998. In addition, the number of reference transactions, circulation and materials used in-house all decreased slightly from 1998. However, it is likely that the decrease in these numbers is attributed to the high level of computer usage and the expanded access to the Milwaukee Public Library via the Internet.

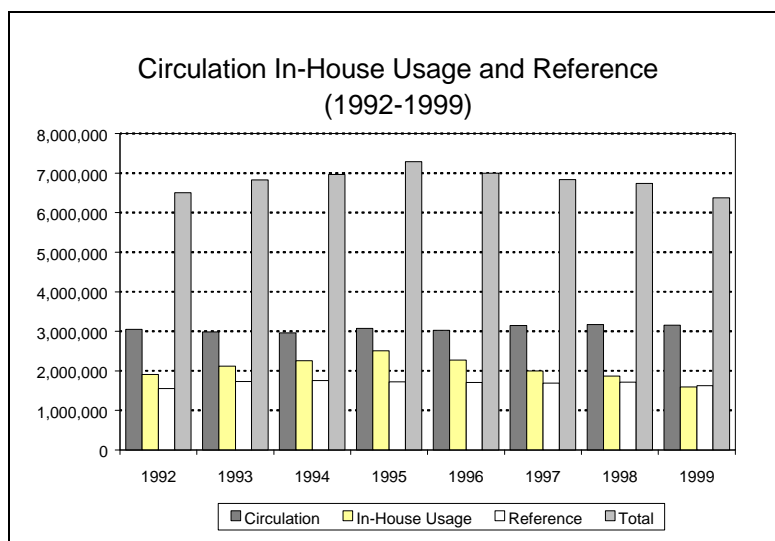
The high use of computer technology has continued to expand. In 1999, the public used 405,197 hours of computer time, which was an increase over 1998 usage (see Figure 2). Based on this use, the Library's projection for 2001 is 410,000 hours of public use. Between 1998 and 2000 an award from the Gates Library Foundation Urban Leadership Grant Program has enabled the Library to equip computer labs for the public in the Central, Center Street, Forest Home, and Martin Luther King Libraries. In 2000, the Milwaukee Public Library was also the recipient of another grant from the Gates Foundation. The intent of the grant program is to target communities with 10% or more of the service population below the poverty rate. With this grant, the Library will add four to six public access computers with Internet access at Atkinson, Bay View, East, Finney, Mill Road and Villard Libraries.

At the Central Library in downtown Milwaukee, the number of people participating in library programs has increased by 51%. The increase follows the renovation of the Children's Library. In 2001, Central expects to see continued increase in the use of the in-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Circulation, in-house use, and reference per capita.	10.4	11.2	N/A
Library card holders per capita.	N/A	N/A	0.54
Computer hours.	405,197	400,000	410,000
Visits per capita.	3.9	4.1	4.1
Funding by Source:			
Operating Funds	\$20,058,588	\$20,676,311	\$20,480,576
Grant and Reimbursable	843,213	891,450	926,005
Capital Budget	1,470,475	880,000	3,460,000
Total:	\$22,372,276	\$22,447,761	\$24,866,581

Figure 1



house facilities resulting from the completed renovations in the Art and Music, Business and Science, and Periodicals Libraries.

In 2001 the Milwaukee Public Library will dedicate over \$24.8 million of its resources to increasing public usage of libraries.

Program Result Measures: In 2001, the Library will change some of its program result measures in order to more appropriately track its programs. The Library has developed a new measure of the number of library card holders per capita to replace the current measure of circulation, in-house use and reference transactions per capita.

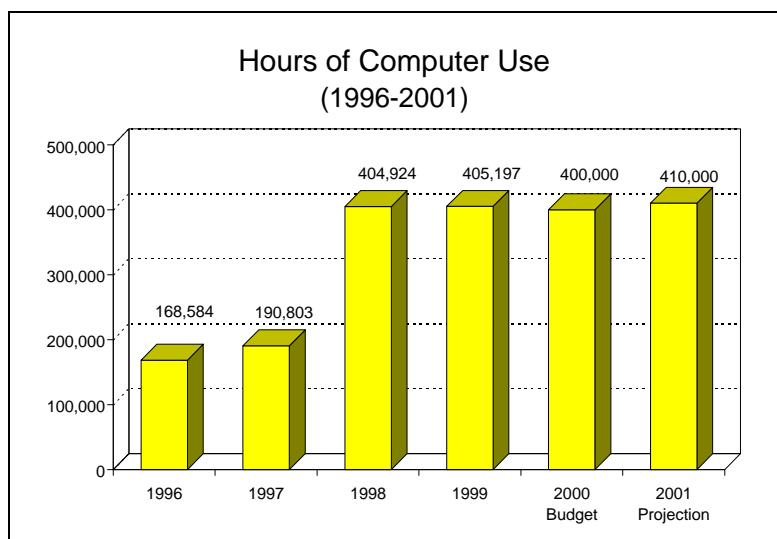
PROGRAM CHANGES

Collection Development: In 2000, the Library focused on developing young adult collections, services, and programs at each library site. Young adults use the library less than either children or adults. Therefore, the Library has directed its focus to increasing teen's interest and encouraging their use of library resources. As a result, library usage by teens has increased due to: 1) the Library selecting more popular materials and software appropriate for this age group, and 2) the Library planning system-wide programs that encourage participation by teens to showcase their talents. These programs include writing poetry, creating and linking art to reading, and reading for incentive points to earn prizes such as popular music gift certificates.

In 2001, the Milwaukee Public Library will focus on collection development at each neighborhood library in the areas of education, including adult literacy, proficiency skills, job and career resources, business development and other popular subject areas. The Library will also focus on increasing remote access to resources and promoting a library card for each resident.

Technology Improvements: In 1999, the Library began funding a computer replacement schedule. Using funds from the Milwaukee Public Library Foundation, Technology for Education Achievement in Wisconsin (TEACH), and the Federal E-Rate Communications Commission (FCC), the Library established a four-year replacement cycle to both maintain and improve its 600 computers and purchase an additional 135 computers. In 2000, the Library further established a three-year replacement cycle for public computers and a four-year replacement cycle for staff computers. The 2001 budget includes \$250,000 for computer replacement equipment.

Figure 2



In 2000, the Library renovated the Science, Business, and Periodicals Sections of the Central Library. The renovation will improve access to computer and microfiche/film resources. Additionally, the improvements in Science and Business address the needs of Milwaukee's business owners and entrepreneurs.

Reciprocal Borrowing: The Library will pay an estimated \$1,146,000 in reciprocal borrowing costs in 2001. This represents an increase of \$31,610 over 1999 due to an increase in city residents borrowing from suburban libraries. Reciprocal borrowing will remain a prevalent issue throughout 2001, as the cost to the city has increased 24% from \$925,000 in 1997 to the present estimate. Throughout 2001, the Milwaukee Public Library will continue to support reciprocal borrowing by working with the suburban libraries and the Milwaukee County Federated Library System to improve the current method of determining reciprocal borrowing costs to individual libraries. The Milwaukee Public Library will also remain committed to addressing this issue through public education and capital, technological, and collection improvements aimed at making the city's libraries more comfortable, aesthetically pleasing, and useful.

Inter-Library Loan Services Grant: The Library will again receive grant awards of \$30,000 from the Milwaukee County Federated Library System and \$61,900 from the State Department of Public Instruction. These grants pay for loans made to libraries outside of Milwaukee County by the Milwaukee Public Library and requests from MCFLS members for materials not owned by the system.

Operating Efficiencies: In 2001, the Library will eliminate two positions in order to increase efficiencies in the Central Library Division. One position of Custodial Worker II and one position of Office As-

sistant II will be eliminated for a total saving of approximately \$47,217. The duties of both positions will be absorbed by existing staff.

CAPITAL BUDGET

The Milwaukee Public Library will receive \$3,460,000 in 2001 for capital projects. A portion of this money, \$1,825,000 will be used for ongoing improvements and remodeling of the Central Library. The Wells Street entrance to the Central Library will be renovated to improve public access to the entrance and the connection between the Museum and the Library. In addition, renovations in the Business, Science, Periodicals, and a new Rare Books Room will be completed in the fall.

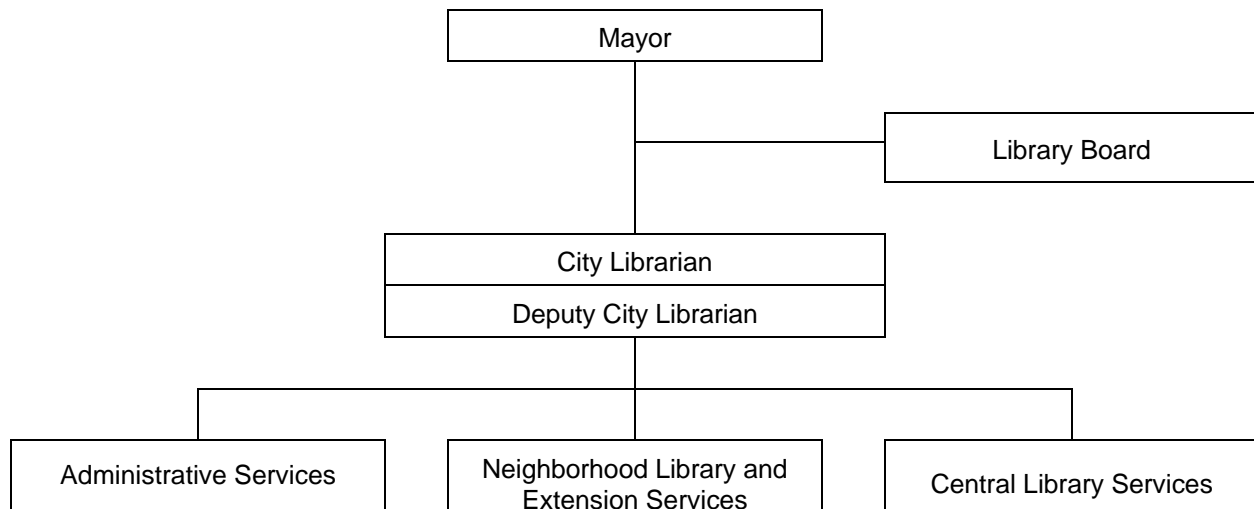
The remainder of the capital budget \$1,635,000, will be used for the first phase of construction of a new library to replace Finney Library. The initial planning and design of a new library will be done throughout the spring and summer of 2001, with an expected groundbreaking occurring in the fall. The final construction of the new library will take place in 2002. At such time, the existing Finney Library will be turned over to the Milwaukee Public School system for demolition as they begin construction on a new school. In future years, the Library will continue renovations of the remaining neighborhood libraries - Villard, East, Mill, and Tippecanoe.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	361.78	357.78	350.65	-7.13
FTEs - Other	18.68	27.84	21.07	-6.77
Total Positions Authorized	419	446	447	1
DLH - Operations and Maintenance	579,517	644,004	627,632	-16,372
DLH - Other Funds	33,624	50,112	35,400	-14,712
EXPENDITURES				
Salaries and Wages	\$10,955,466	\$11,262,463	\$10,988,921	\$-273,542
Fringe Benefits	3,418,580	3,603,988	3,625,494	21,506
Operating Expenditures	1,976,572	2,024,306	2,052,731	28,425
Equipment	2,593,580	2,658,950	2,667,430	8,480
Special Funds	<u>1,114,390</u>	<u>1,126,604</u>	<u>1,146,000</u>	<u>19,396</u>
TOTAL	\$20,058,588	\$20,676,311	\$20,480,576	\$-195,735
REVENUES				
Charges for Services	\$2,267,200	\$2,114,298	\$2,125,082	\$10,784
Miscellaneous	<u>100</u>	<u>63,000</u>	<u>0</u>	<u>-63,000</u>
TOTAL	\$2,267,300	\$2,177,298	\$2,125,082	\$-52,216

CAPITAL PROJECTS - Includes \$3,460,000 for the following projects:

- a. Central Library Improvement Fund \$825,000
- b. Central Library Remodeling Fund \$1,000,000
- c. New Library Project Fund \$1,635,000

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Library Administration Services Decision Unit			
0	-7.77	Library Computer Service Aide (.32 FTE) (Non-Operating Funding \$-45,000)	Reflects reduction in labor hours due to TEACH grant ending in March.
-1	-1.00	Librarian V (Operating Funding \$-66,281)	Position reclassifications.
1	1.00	Library Technical Services Manager (Operating Funding \$75,584)	
-1	-1.00	Library Network Specialist (Operating Funding \$-40,700)	
1	1.00	Network Analyst Senior (Operating Funding \$50,144)	
-1	-1.00	College Intern (.56 FTE) (Operating Funding \$-6,085)	
1	1.00	Information Technology Intern (Operating Funding \$11,635)	
-1	-1.00	Network Systems Administrator (Operating Funding \$-47,992)	
1	1.00	Library Network Manager (Operating Funding \$53,891)	
-1	-1.00	Custodial Worker II-City Laborer (Operating Funding \$-26,603)	Elimination of position.
0	-7.13	Various Positions (Operating Funding \$-244,563)	Adjustment reflects anticipated vacancies.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Neighborhood Libraries and Extension Services			
1	1.00	Librarian II (Non-Operating Funding \$14,893)	New grant position.
-1	-1.00	Librarian I (Operating Funding \$-30,446)	Position reclassification.
1	1.00	Librarian II (Operating Funding \$34,227)	
2	2.00	Library Circulation Aide (Unfunded Auxiliary Position)	Creation of position authority.
Central Library Decision Unit			
-1	-1.00	Office Assistant II (Operating Funding \$-20,614)	Elimination of position.
1.00	-13.90	TOTAL	

MAYOR'S OFFICE

EXECUTIVE SUMMARY

MISSION:	To enable the citizens of Milwaukee to prosper and achieve a high quality of life and to allow the city to serve as the economic, social, and cultural hub of the metropolitan area by effectively managing city government, providing community leadership, and advancing Milwaukee's interests with other governments.
STRATEGIC ISSUES:	Ensure that the services the city delivers add value to the lives of Milwaukee residents. Maintain and improve citizen satisfaction with city services, especially safety. Maintain equitable and effective funding relationships with other levels of government.
INITIATIVES FOR 2001:	Provide leadership and support to city departments in pursuing the city's goals and objectives as outlined in the strategic plan and budget.

BACKGROUND

The Mayor of Milwaukee is elected to a four-year term and acts as the city's chief executive officer and representative of the citizens of the city. In this capacity, the Mayor's Office provides a leadership role in establishing priorities, coordinating the implementation of programs, and, when necessary, providing crisis management. The managers of all the city's major service-delivery agencies (with the exception of the Fire and Police Chiefs and other elected officials) are appointed by and are directly accountable to the Mayor.

The Mayor's vision for the city helps shape and is incorporated in the city's strategic plan. The plan in turn is the guide or direction for the activities of the rest of the administration. The city's strategic vision focuses on allowing private markets to work and on giving residents the opportunity to succeed in those markets (either as entrepreneurs or consumers) by taking from them less money in taxes, and leaving them with greater disposable incomes. By creating a strong vibrant city with family-supporting jobs, strong neighborhoods, and attractive recreation opportunities, Milwaukee adds value to the lives of all its residents.

OBJECTIVE 1

Provide leadership strategies, formulate, support, and implement policies and initiatives which lower city residents' tax burden, and ensure that residents receive added value for the tax dollars they do pay as measured by maintaining the city's tax rate below 120% of the metropolitan area average.

tax rate less than 120% of the metropolitan area average.

Figure 1 illustrates Milwaukee's progress in reducing its tax rate relative to other taxing jurisdictions in the metropolitan area. Fluctuations in year-to-year rates may result from differences in the timing of reassessments and the rate of growth in value between Milwaukee and other communities. For 2001, estimates suggest that the city will be slightly above this goal, or at approximately 123.6% of the metropolitan average.

OUTCOME HISTORY

Ongoing control over city spending and continued efficiencies in government allowed Milwaukee in 1998 to achieve for the first time its goal of having a

Continued reductions in Milwaukee's rate compared to the metropolitan area average may prove a sterner challenge in the future. Milwaukee's largest single source of revenue, state aids has failed to grow at the rate of inflation. This state revenue sharing program has been frozen since 1995, resulting in lost revenue of \$28.3 million for city operations. In 1999, state aids actually decreased by over 4% in inflation adjusted terms from 1998 funding levels. In addition, many of the city's general fund revenue sources have failed to grow at a rate sufficient to offset programmatic operating costs. However, with renewed emphasis on controlling costs by finding more efficient ways to provide services, Milwaukee remains committed to further reducing the tax rate gap between itself and its neighbors. The Mayor's Office will allocate \$237,848 towards this objective in 2001.

ACTIVITIES

- Budget coordination and planning
- Strategic planning

PROGRAM CHANGES

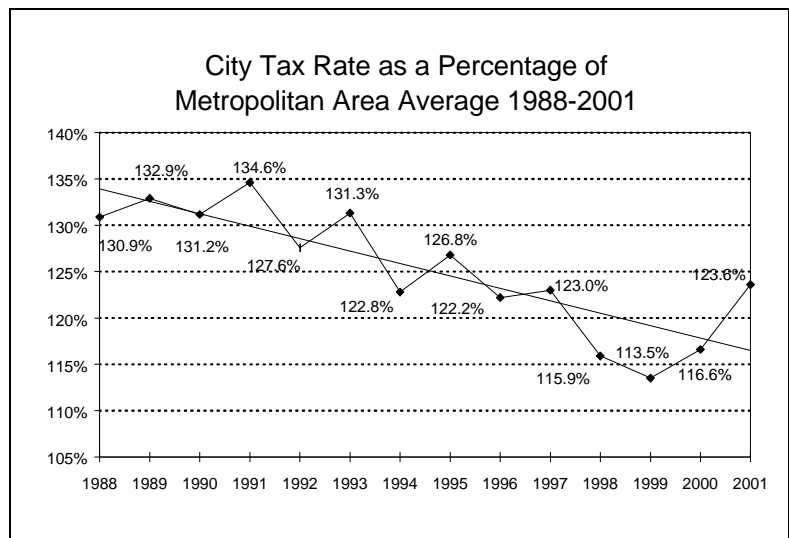
Program Result Measures: The Mayor's Office, in conjunction with the Budget Office, will continue its efforts to shift the focus of funding decisions from inputs to outcomes. New program result measures will aid departments in assessing their performance in meeting departmental and citywide strategic objectives. In order to provide a citywide perspective, departments

will routinely report their progress toward achieving objectives as part of the city's strategic planning efforts.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
City tax rate as a percent of the metro area average.	113.5%	116.6%	123.6%
Funding by Source:			
Operating Funds	\$230,940	\$236,848	\$237,848
Total:	\$230,940	\$236,848	\$237,848

Figure 1



OBJECTIVE 2

Continue to make Milwaukee an even more desirable place to live, work, play, and do business. Continue to strengthen Milwaukee's key attributes:

- **Dynamic and accessible markets gainfully employing citizens;**
- **Safe, strong, and beautiful neighborhoods; and**
- **Recreational opportunities and a flourishing culture.**

Which are measured by the percentage of residents surveyed who say their neighborhood is the same or getting better.

OUTCOME HISTORY

Improving Milwaukee's neighborhoods has been a major focus of the Mayor's Office since 1989. In recent years, mayoral initiatives, including creating the Department of Neighborhood Services and dedicating more Police Officers to quality-of-life efforts, have sought to improve life in Milwaukee's neighborhoods. In 2001, the Mayor's Office estimates that 75% of surveyed residents will state that their neighborhood is the same or getting better. Operating funding of \$960,432 will be allocated to this objective in 2001.

In a city committed to supporting strong markets, no measure more accurately captures citizens' satisfaction with their city than the value of city property. The buying and selling of property marks the ultimate vote of confidence in a city (and its government). Property values represent residents making decisions with their hard-earned incomes on whether the city offers a good return for their tax dollars.

As Milwaukee becomes a more desirable place to live, work, and do business, the demand for property increases. This increase in demand for limited city property causes prices or values to rise. Figure 2 shows the overall marked upward trend in city property values.

In 2000, city's assessed value decreased slightly (-2%) from 1999 levels. This decrease, however, reflects state legislation that exempted computer equipment from property value calculations, reducing the city's assessed value by approximately \$295.0 million in 2000. For 2001, the city's assessed value rose by 11.5%. In addition, 97% of the city's assessment areas saw property value growth above the rate of inflation. This data illustrates that property values are becoming stronger across all of the city's neighborhoods.

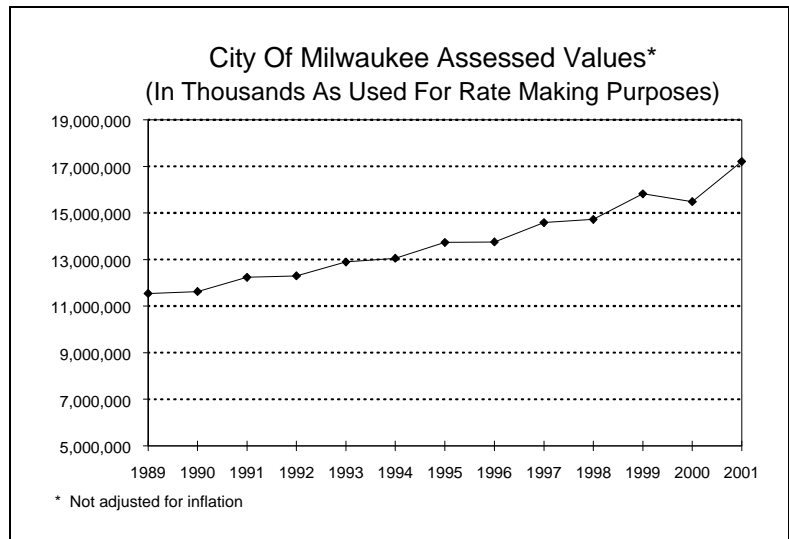
The Mayor and his staff add value to the city by working closely with other elected city officials and department heads to develop new strategies, policies, and programs that improve or maintain the strength of neighborhoods and the city economy. These improvements often result from simply listening and responding to the suggestions of constituents, labor unions, community-based organizations, and business groups. Individual requests for service are also answered either by mayoral staff or through appropriate representatives.

The Mayor's Office, as part of its leadership role, also serves as the principal advocate for the city at the local, state, and national levels. In the role of citizen representative, the Mayor and his staff work to ensure that citizens and interested parties are accurately

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of residents surveyed who say neighborhood is same or getting better.	73.0%	75.0%	75.0%
Funding by Source:			
Operating Funds	\$932,537	\$956,396	\$960,432
Total:	\$932,537	\$956,396	\$960,432

Figure 2



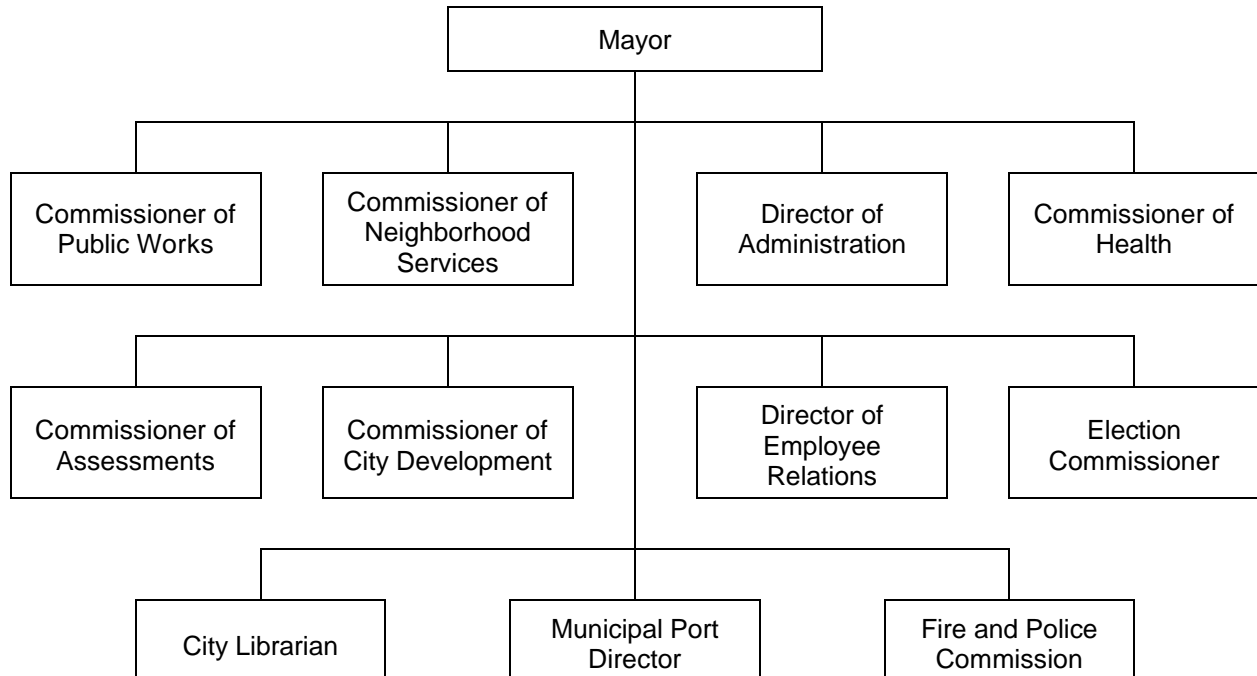
informed of city activities, programs, and policies through the media, public meetings, newsletters, and other activities.

ACTIVITIES

- Constituent relations
- Intergovernmental relations
- Intragovernment coordination
- Strategic planning
- Public information
- Private-sector liaison

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	15.97	16.10	15.78	-0.32
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	22	22	22	0
DLH - Operations and Maintenance	28,750	29,523	29,439	-84
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$843,527	\$859,825	\$863,328	\$3,503
Fringe Benefits	261,435	275,144	284,898	9,754
Operating Expenditures	54,012	55,220	50,054	-5,166
Equipment	4,503	3,055	0	-3,055
Special Funds	0	0	0	0
TOTAL	\$1,163,477	\$1,193,244	\$1,198,280	\$5,036

CAPITAL PROJECTS - None**ORGANIZATION CHART**

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
0	-0.32	Experience Adjustment (Operating Funding \$-17,507)	Reflect actual experience.
0	-0.32	TOTAL	

NEIGHBORHOOD SERVICES

EXECUTIVE SUMMARY

MISSION:	To enhance Milwaukee's competitive advantage as a vibrant urban community. To work in cooperation with public and private partnerships and neighborhood residents to promote investment and improve the physical, environmental, and aesthetic conditions of Milwaukee's neighborhoods.
STRATEGIC ISSUES:	<p>Develop a culture that is customer friendly, responsive, efficient, and visionary with regard to neighborhood service delivery and regulatory enforcement.</p> <p>Protect the city's environmental quality and building stock through education and enforcement of safety, health, property use and maintenance regulations.</p> <p>Strengthen and stabilize neighborhoods through programs that leverage greater private sector investment in housing and neighborhoods.</p>
INITIATIVES FOR 2001:	<p>Implement a Neighborhood Clean-Up Initiative in cooperation with the Solid Waste Fund.</p> <p>Develop alternatives to improve the litter nuisance abatement process by shortening the time between the initial complaint to final abatement by the contractor.</p> <p>Continue development and analysis of a new process for resolving complaints concerning exterior litter violations.</p> <p>Expand and improve the joint program with the Solid Waste Fund for special pick-ups.</p> <p>Monitor and evaluate the effectiveness of the new noise ordinance for rental property.</p> <p>Conduct an annual survey of customers.</p>

BACKGROUND

The Department of Neighborhood Services (DNS) was created in 1999 as a response to resident concerns that city responses to neighborhood problems had been fragmented, ineffective, and slow. In order to address these concerns, a variety of city programs that directly relate to "adding value" to the city's neighborhoods were consolidated to create the Department of Neighborhood Services. The department includes most of the positions formerly within the Department of Building Inspection (BI), the Asbestos Program and the Vector Nuisance Program from the Health Department's Bureau of Consumer Protection and Environmental Health, and the Department of City Development's Housing and Neighborhood Development Division.

The primary role of the department is to improve city neighborhoods by enforcing standards for buildings, property, and land use. These standards help protect the safety and health of residents and ensure neighborhood stability. The department will use its enforcement, financial, and educational resources to encourage investment in housing and other buildings. DNS will also provide support to the city's Standards and Appeals Board, as well as the Electrical Licensing and Examining Committee, and the Neighborhood Improvement Development Corporation (NIDC). In 2001, the Department of Neighborhood Services budget will total approximately \$11.89 million. DNS will also control \$2.2 million in special purpose account funding, and \$5.7 million in grant and reimbursable funding.

OBJECTIVE 1

Improve the appearance of neighborhoods as measured by more than 75% of assessment areas experiencing growth in property values greater than the rate of inflation.

OUTCOME HISTORY

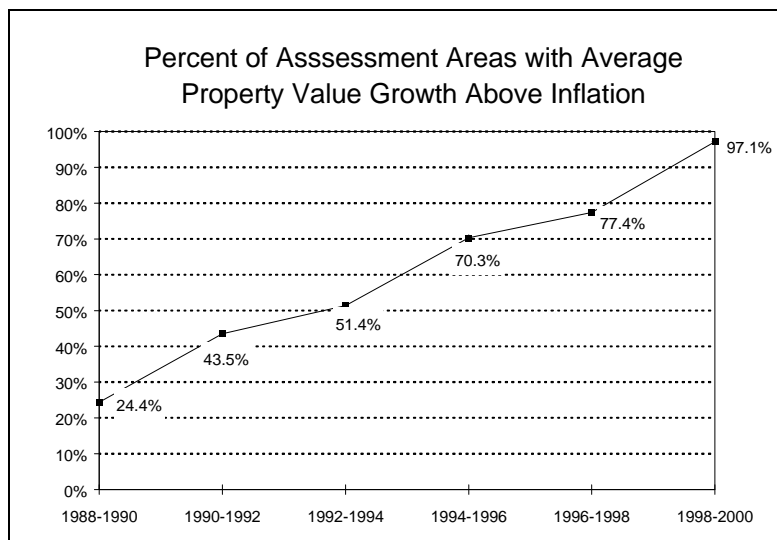
One strong indicator of how neighborhoods are faring is trends in property values. Neighborhoods with the most desirable characteristics will increase in value most quickly, while less desirable places with code violations, such as widespread graffiti, peeling paint, or buildings with a variety of structural problems, will experience declining property values. Property value captures the effects of myriad, interrelated variables: from measurable trends in crime rates, graffiti, building maintenance and home ownership, to intangibles such as neighborhood cohesiveness and a sense of community. Although property values are affected by many factors not under city control, such as interest rates and economic conditions, knowledge about trends in assessed value can help the city develop more effective strategies for neighborhood improvement.

Figure 1 shows that in aggregate Milwaukee has made significant progress over the past ten years in improving neighborhood property values. In the 1988-1990 assessment period, only 24% of assessment areas had average property values that grew faster than the inflation rate. However, in the 1998-2000 assessment, 97% of areas had value growth that exceeded the inflation rate. DNS' 2001 goal is to continue this trend so that 75% or more of the city's assessment areas will continue to grow faster than the inflation rate.

In 2001, the Department of Neighborhood Services will dedicate approximately \$7.14 million in operating funds to the objective of improving the appearance of neighborhoods. An additional \$8.94 million in capital, special purpose account, and grant and reimbursable funding will be applied toward this objective.

Since its creation, DNS has worked diligently to make improvements and increase efficiency in a variety of

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Percent of assessment areas with average property value growth higher than inflation.	97.1%	77.4%	77.4%
Funding by Source:			
Operating Funds	\$7,126,709	\$7,289,975	\$7,142,958
Grant and Reimbursable	3,744,155	2,878,814	5,718,076
Capital Budget	210,000	972,000	1,002,780
Special Purpose Accts.	2,603,576	2,222,000	2,220,000
Total:	\$13,684,440	\$13,362,789	\$16,083,814

Figure 1

efforts that help improve the appearance of neighborhoods, such as litter citation, towing of abandoned autos, residential and commercial building code enforcement, and the provision of housing resource programs to city residents. In 2001, DNS will continue to develop and implement strategies to improve the operations of the department to enhance the appearance of the city's neighborhoods.

PROGRAMS AND ACTIVITIES

- Housing and building inspections including:
 - Litter and vector
 - Building maintenance
 - Nuisance auto

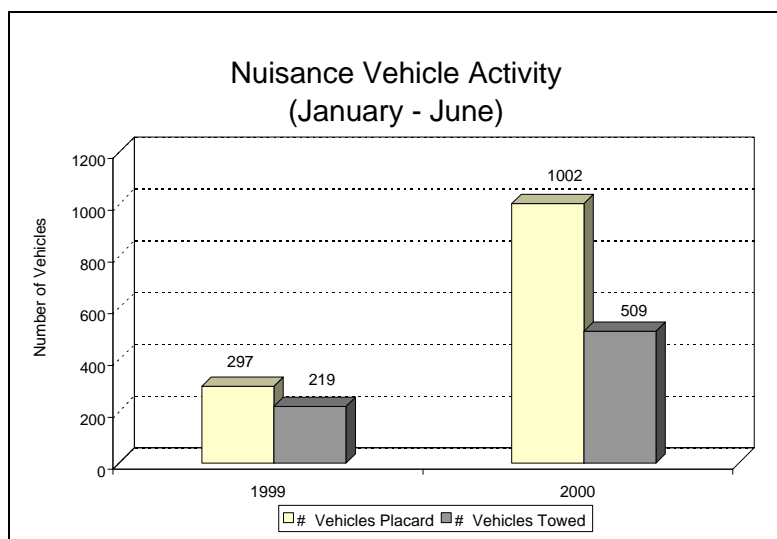
- Graffiti
- Waste tires
- Asbestos
- Ordinance-required inspections (i.e., laundromats, massage parlors, rooming houses)
- Housing resource programs (CDA/HUD)
 - Neighborhood Improvement Program (NIP)
 - Rehabilitation loans
 - Closing cost assistance
 - Target Investment Neighborhood (TIN)
 - Development of infill housing
- Certificate of code compliance program
- Condemnation and demolition
- Public nuisance cases
- Resident and owner education programs
- Vacant lot maintenance

DNS PROCESS IMPROVEMENTS

Litter-Clean Up Procedures: DNS has made a number of noteworthy improvements related to the effectiveness of the litter program. As result of working with the Department of Public Works (DPW) – Sanitation Division, now known as the Solid Waste Fund, to streamline clean-up order procedures, DNS has been able to save five days in the process of issuing orders by having Sanitation post the initial order. This initiative has assisted DNS in its efforts to decrease the average time between complaints and resolution of litter nuisance property violations. Decreasing the number of duplicate inspections has allowed inspectors to address and to respond sooner to a greater number of nuisance issues.

Neighborhood Clean-Up Initiative: The 2001 budget reflects the implementation of a new Neighborhood Clean-Up Initiative between the Solid Waste Fund and the Department of Neighborhood Services. This initiative formally adopts the Neighborhood Clean-up Pilot Program which began in 1999 under the direction of the Department of Public Works - Sanitation Division and the Department of Neighborhood Services. This initiative will be funded through a special purpose account named the Neighborhood Clean-up Initiative totaling \$70,000. In its first year, the new initiative will work to provide one targeted clean-up per aldermanic district. The Department of Neighborhood Services and the Solid Waste Fund will work with the aldermen and community groups

Figure 2



to assure the successful implementation of this initiative. As a part of this initiative, Solid Waste Fund employees will collect all refuse that is left out on the curbs. After the cleanup has taken place, the Department of Neighborhood Services will survey the area and issue abatement orders for any remaining litter and nuisance vehicles. The Solid Waste Fund, as a part of its creation, includes funding for two new skid loaders and four new Mad Vacs. These new pieces of equipment will be used to support this new initiative.

Nuisance Vehicle Removal: DNS has also worked to improve the internal procedures and timelines associated with the removal of abandoned autos on private property. By posting an early warning sticker on abandoned autos to notify property owners that the vehicle must be removed, the time allowed for the property and vehicle owners to comply is shortened by one week. The early warning sticker replaces the need to add time for compliance. As a result of this new system, the amount of time it takes to remove nuisance vehicles has decreased from 90-days to 20-days. In addition, the number of nuisance vehicles that have been placard and towed during the first six months of 2000 has increased substantially over 1999 activity (see Figure 2). In 2001, DNS will continue to work on further reducing the amount of time that it takes to tow nuisance vehicles.

Update on Complaint Intake Center: In response to residents' frustration with the city's system of taking complaints about property violations, DNS has created a centralized property violation system, which

allows a complaint coming into any office to be assigned to the proper enforcement agencies without the need to transfer the caller. In 2000, DNS trained the complaint intake staff to call and advise property owners on options to abate a variety of nuisance complaints. This training has resulted in 22% fewer litter nuisance orders having to be issued and re-inspected because of property owners picking up the trash before the nuisance inspectors became involved. DNS expects this efficiency trend to continue throughout 2001.

Milwaukee Area Domestic Animal Control Commission (MADACC): MADACC opened for business on August 1, 1999. This inter-governmental entity is responsible for the handling and holding of stray, running at large, and quarantined domestic animals. These services were previously provided by the Wisconsin Humane Society (WHS). In its first year of operation, MADACC handled a total of 12,963 animals throughout the county, with 31% of the animals being transferred to the Wisconsin Humane Society for adoption. In 2001, DNS will continue to work on a number of issues related to the licensing of domestic animals with the other 18 municipalities that are part of MADACC. DNS will also work to coordinate the operations of the Nuisance Control Section and MADACC to increase efficiency related to animal control. The Department of Neighborhood Services budget includes \$1.44 million for animal control services.

PROGRAM CHANGES

Information Technology Division: In 2001, DNS will consolidate its three Information Technology positions into one division. This division will primarily be responsible for maintaining the department's micro platform, which is a system unique to DNS. This new division will report directly to the Commissioner.

Grant Programs: In 2001, DNS will combine its Landlord Training and Property Management Training Programs into one program under the heading of Property Management. In addition, DNS has received additional grant funding for one new position of Grant Monitor.

Operating Efficiencies: In 2001, the DNS will eliminate one vacant position of Environmental Health Technology Coordinator to improve efficiency in the Nuisance and Environmental Health Division. The duties of this position have already been absorbed by the Vector and Nuisance Control Manager, who oversees the division. In addition, the operating funding for one vacant position of Senior Planner will be eliminated. The position will be changed to an unfunded auxiliary position. The duties of the Senior Planner position have already been absorbed by existing staff in the Support Services Division. The total savings from these two changes will be approximately \$86,105.

OBJECTIVE 2

Maintain the city's three-year public structure fire incident rate at or below the national average of 0.87 fires per thousand.

OUTCOME HISTORY

A number of DNS' activities and programs are focused on creating safer Milwaukee buildings by reducing the risk of fire. DNS inspects buildings for appropriate fire exits and firewalls, inspects electrical modifications to insure that they are installed properly, and conducts periodic fire and sprinkler inspections of commercial buildings and apartment complexes, in order to create safer buildings. The 2001 operating budget includes approximately \$4.7 million to meet the goal of this objective.

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Three-year average public fire incident rate per 1,000 residents.	0.44	0.52	0.52
Funding by Source:			
Operating Funds	\$4,772,148	\$4,893,288	\$4,745,670
Capital Budget	210,000	828,000	854,220
Total:	\$4,982,148	\$5,721,288	\$5,599,890

While other city department activities also influence Milwaukee's fire incident rate, work conducted formerly by Building Inspection and the Health Department has contributed to the 23% reduction in the number of fires in public buildings from 1992-1998 (see Figure 3). This is particularly noteworthy due to the aging building stock in Milwaukee. Although the national fire statistics will not be available until later in the year, the city expects that its 1997-1999 fire incident rate will rank well below the national average.

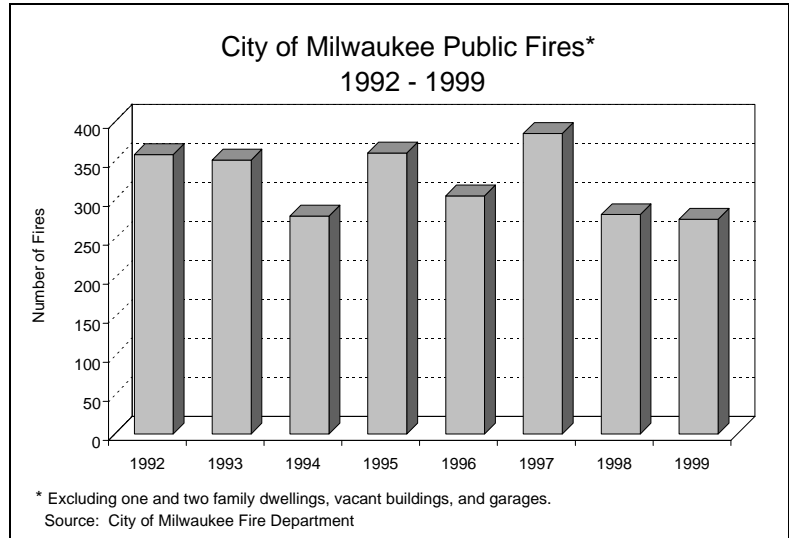
PROGRAMS AND ACTIVITIES

- Permit inspections
 - Construction
 - Electrical
 - Heating, HVAC, boiler
 - Elevator
 - Plumbing/sprinkler
 - Hazardous tanks
- Commercial fire inspections
- Restaurant fire inspections
- Licensing
- Periodic inspection
- Cross-connections

PROGRAM CHANGES

Cross-Training of Staff: In 2000, DNS piloted a study to combine a variety of common nuisance code violation inspections for all inspectors. Through the study, DNS allowed all inspectors to issue orders for a number of code violations such as graffiti, garbage and nuisance, peeling paint, and abandoned autos. As a result, this initiative has allowed DNS to respond to a variety of nuisance orders much sooner. In 2001, DNS will work to expand this program by providing further cross-training of staff.

Figure 3



Internet Database Access: The department's Internet database of property-related information offers easy access to citizens who want property-related information. To provide this service, DNS created a database to track multiple types of property complaints and violations - from information about abandoned automobiles, to asbestos contaminants, to litter. For each city address, citizens can access information about the recorded property owner, a contact phone number, building code complaints, and a history of building code inspections and violations. This Internet Database access has proven to be very successful with continued increase in use. Since the database was made accessible via the web in 1999, the daily Monday-Friday average number of look-ups has increased from 1,669 to 2,465. In addition, the Public Policy Forum presented DNS with its annual "Salute to Local Government" Award for this project. In 2001, DNS expects the success of this program to continue.

CAPITAL IMPROVEMENTS

In 2001, the final phase of the remodeling project of the first and tenth floors of the Zeidler Municipal Building will be completed. Most of the functions dealing with the public will be housed on the first floor. Spaces will be designed to welcome and provide information to neighborhood groups. The tenth

floor will consist of a variety of employees in DNS including inspection and management staff. The 2001 capital improvements budget includes approximately \$1.8 million for the remodeling of the first and tenth floors for the Department of Neighborhood Services.

NEIGHBORHOOD IMPROVEMENT DEVELOPMENT CORPORATION (NIDC)

NOTE: The budget of this agency is not under control of the Common Council. This information is being provided to give a complete picture of the activities administered by the Department of Neighborhood Services.

The Neighborhood Improvement Development Corporation (NIDC) is a non-profit corporation established by the city in early 1973 for the purpose of performing activities that assist and encourage reinvestment in residential property as part of an overall neighborhood economic stabilization strategy. Programs operated by the NIDC encourage investments by private lending institutions and property owners by providing financial assistance in the form of grants, rehabilitation loans, and interest subsidy payments on conventional loans. In addition, the NIDC provides technical assistance and serves as a liaison between community-based organizations, city departments, area businesses, and associations.

Recent NIDC activities include:

- Acting as co-developer of the Todd Wehr Metcalfe Park Community Center. The center, which combines a Boys and Girls Club and kindergarten through eighth grade public school, will be located in the Metcalfe Park Neighborhood between 33rd and 35th on North Avenue.
- Administering the Flood Loan Program, which provides matching grants to persons whose homes have been damaged by floods. Priority was given to the areas of the Menomonee Valley and the Lincoln Creek neighborhoods. Funding is provided by the Federal Emergency Management Agency (FEMA) and Housing and Urban Development (HUD). An estimated 400 grants have been provided for this program, which will be ending in 2001.
- Continuing the expansion of the Target Investment Neighborhood (TIN) Program - a revitalization strategy, which intensively targets resources in relatively small neighborhoods in cooperation with neighborhood stakeholders. In 2001, NIDC will continue to work with the six existing TIN program areas, while four additional TIN areas are being considered for the program.
- Participation in an action to improve the fiscal soundness and physical conditions at North Meadow Condominium, a 500 unit complex on the city's northwest side. As a result, the North

Meadow Board of Directors has taken steps to improve maintenance of the complex, to centralize the tenant screening process, to increase owner-occupancy rates in the complex, and to improve the collection of condominium fees to make the complex financially solvent. In 2000, there has been a noticeable improvement in terms of the physical appearance of the complex and the police activity in the surrounding area. In 2001, NIDC is working with the lending industry to make it possible for prospective owners to obtain conventional mortgages.

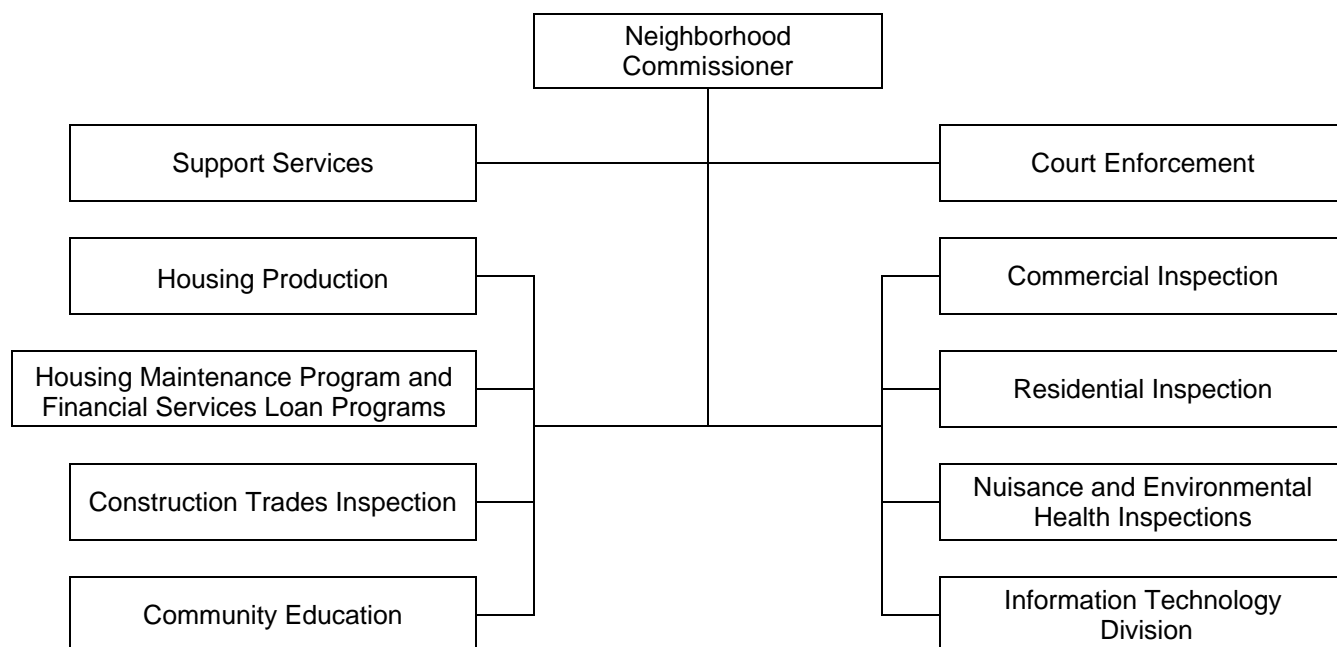
- Completing Phase II of City Homes. As of August of 2000, all of the developed lots in this project were either sold or had offers pending. As a result of this program, 55 new homes have been built, including the model home that was also sold in August. In addition, eight new homes are under construction, and construction will begin on another nine new homes this fall. To complement the new construction, NIDC has also worked to rehab and sell one existing home, with an option pending on another. In 2001, NIDC will work with the Department of City Development to develop the last three lots in Phase II of this project, and to develop an expansion plan that relates to the overall Midtown Development Plan as well as other developments planned for the area.
- Collaborating with the Merrill Park Neighborhood Association on the St. Rose Project, which will ultimately result in the construction of eight new homes in the vicinity of 29th and West Michigan Street. The model home, which was developed by NIDC, has been completed as well as the site acquisition for the remaining homes. Marketing efforts will begin in the fall of 2000.

NIDC is headed by a nine-member board of directors and includes at least four city residents. Board members serve for a period of three years, with one-third of the terms expiring each year. Federal funding supports many of the programs administered by NIDC received through the Community Development Block Grant (CDBG) Program.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	174.11	176.33	172.28	-4.05
FTEs - Other	54.32	69.49	70.49	1.00
Total Positions Authorized	291	277	280	3
DLH - Operations and Maintenance	313,389	317,394	310,110	-7,284
DLH - Other Funds	97,770	125,082	103,770	-21,312
EXPENDITURES				
Salaries and Wages	\$6,960,168	\$6,951,364	\$6,701,170	\$-250,194
Fringe Benefits	2,119,393	2,224,437	2,211,386	-13,051
Operating Expenditures	1,146,677	1,152,231	1,174,495	22,264
Equipment	71,061	135,231	134,882	-349
Special Funds	<u>1,601,558</u>	<u>1,720,000</u>	<u>1,666,695</u>	<u>-53,305</u>
TOTAL	\$11,898,857	\$12,183,263	\$11,888,628	\$-294,635
REVENUES				
Charges for Services	\$4,509,900	\$2,674,600	\$3,274,800	\$600,200
Licenses and Permits	4,338,300	4,567,100	4,110,200	-456,900
Intergovernmental Aids	558,200	520,000	530,000	10,000
Miscellaneous	<u>406,700</u>	<u>1,925,000</u>	<u>1,720,000</u>	<u>-205,000</u>
TOTAL	\$9,813,100	\$9,686,700	\$9,635,000	\$-51,700

CAPITAL PROJECTS - Include \$1,857,000 for Zeidler Municipal Building office remodeling project.

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
1	1.00	Grant Monitor (Non-Operating Funding \$57,661)	New grant-funded position.
-1	-1.00	Management Accountant (Non-Operating Funding \$-30,881)	One full-time position changed to two part-time positions.
2	1.00	Management Accountant (0.5 FTE) (Non-Operating Funding \$38,557)	
-1	-1.00	Housing and Neighborhood Dev. Dir. (Non-Operating Funding \$-96,551)	Position reclassifications.
1	1.00	Housing and Neighborhood Dev. Mgr. (Non-Operating Funding \$86,581)	
-1	-1.00	Systems Coordinator (Operating Funding \$-58,494)	
1	1.00	Network Manager (Operating Funding \$66,087)	
-1	-1.00	Network Coordinator - Sr. (Operating Funding \$-39,643)	
1	1.00	Network Services Coordinator - Sr. (Operating Funding \$46,380)	
-1	-1.00	Administrative Specialist (Operating Funding \$-30,881)	
1	1.00	Program Assistant II (Operating Funding \$32,003)	
-1	-1.00	Management Accountant (Non-Operating Funding \$-30,881)	
1	1.00	Management Accountant - Sr. (Non-Operating Funding \$48,934)	
-1	-1.00	Clerk Stenographer II (Non-Operating Funding \$-27,316)	
1	1.00	Office Assistant II (Non-Operating Funding \$22,536)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-2	-2.00	Clerk Stenographer III (Non-Operating Funding \$-57,137)	Position reclassifications.
2	2.00	Office Assistant III (Non-Operating Funding \$57,137)	
-2	-2.00	Office Assistant II (Non-Operating Funding \$-47,437)	
2	2.00	Office Assistant III (Non-Operating Funding \$42,121)	
-1	-1.00	Training and Development Specialist (Non-Operating Funding \$-54,882)	
1	1.00	Landlord Training and Dev. Manager (Non-Operating Funding \$57,661)	
-1	-1.00	Accounting Assistant I (Operating Funding \$-29,129)	
1	1.00	Office Assistant IV (Operating Funding \$30,529)	
-4	-4.00	Office Assistant II (Operating Funding \$-74,834)	
3	3.00	Customer Service Rep. II (Operating Funding \$83,591)	
1	1.00	Customer Service Rep. I (Operating Funding \$25,277)	
-1	-1.00	Office Assistant II (Non-Operating Funding \$-23,212)	
1	1.00	Customer Service Rep. II (Non-Operating Funding \$27,147)	
-1	-1.00	Environmental Health Tech. Coord. (Operating Funding \$-44,635)	Elimination of vacant position.
0	-1.00	Senior Planner (Operating Funding \$-41,470)	Vacant position changed to unfunded auxiliary position.
0	-2.55	Various Positions (Operating Funding \$-264,530)	Adjustment reflects anticipated vacancies.
2	0.50	Vector & Nuisance Control Officer II (0.25 FTE) (Operating Funding \$13,218)	Positions created for rat baiting in sewers.
3	-3.05	TOTAL	

POLICE DEPARTMENT

EXECUTIVE SUMMARY

MISSION:	To reduce crime and enhance the quality-of-life in the City of Milwaukee.
STRATEGIC ISSUES:	<p>Enhance and improve the quality-of-life in Milwaukee's neighborhoods by addressing minor offenses that often lead to more serious crime.</p> <p>Reduce crime in order to retain residents and businesses within the city.</p> <p>Provide services in a manner that meets the needs of a diverse community.</p> <p>Use statistical analysis to target resources effectively and to hold managers accountable for results.</p> <p>Achieve the city's public safety goals by working cooperatively with city agencies and other components of the criminal justice process.</p>
INITIATIVES FOR 2001:	<p>Continue construction of a new Data and Communications Center and Third District Station.</p> <p>Work to implement the Mayor's Commission on Crime recommendations to improve public safety and lower the violent crime rate.</p> <p>Study options for upgrading the city's current radio infrastructure and improving emergency communications.</p> <p>Continue to direct (and re-direct) policing resources where they are most needed and in a way that maximizes impacts on citywide safety and quality-of-life.</p>

BACKGROUND

The Milwaukee Police Department (MPD) has ensured the safety of the community since 1855. Law enforcement personnel, most of them recruited and trained by the department itself, serve the public from an administration building, seven district stations, and a training academy.

The Milwaukee Police Department continues its commitment to the city strategic plan goal of protecting citizens from crime by continuing its strategic focus on the quality-of-life in the community. The "broken windows" theory which George Kelling and James Q. Wilson posited over 15 years ago, has found its way into police departments across the country in the mid to late 1990's. Police departments are recognizing that their strategic vision is about the quality-of-life in the communities they serve, rather than shortening response times, or some other measure of "outputs".

In Milwaukee, the Police Department responds aggressively to crime trends as they emerge, as well as enforcing minor municipal violations. This dual strategy allows the department to minimize disorder, prevent more serious crimes from occurring, and continue its focus on the quality-of-life in Milwaukee's neighborhoods.

The Milwaukee Police Department also adds value to the community in less direct ways. For example, directed missions make Milwaukee's famous festivals and special events run smoothly and safely. More importantly, a strong, visible police presence downtown, at festivals, and in neighborhoods creates a lasting impression of safety in the minds of tourists and business visitors.

Increasingly, the Milwaukee Police Department relies on partnerships with other agencies and community

leaders to address neighborhood safety issues from a broader strategic perspective. These collaborations

help to leverage the city's resources and create long-term results for the city as a whole.

OBJECTIVE 1

Respond to the commission of crimes, successfully detecting criminal activity and identifying, apprehending, and assisting in the prosecution of criminal offenders as evidenced by the percentage of crimes cleared by arrest.

OUTCOME HISTORY

Clearance rates refer to the percentage of reported crimes for which one or more arrest is made (or, the suspect is identified but due to death or other "exceptional" circumstances cannot be arrested). In 2001, the police will devote more than \$91.9 million to investigating, solving, and clearing crimes by arrest.

Figure 1 shows that Milwaukee's total clearance of 25.1% (1999) includes much higher rates for crimes against persons (murder, rape, robbery, and assault). Property crimes (burglary, larceny, and motor vehicle theft) typically have lower clearance rates due to their sheer number and the lack of direct contact between the criminal and the victim.

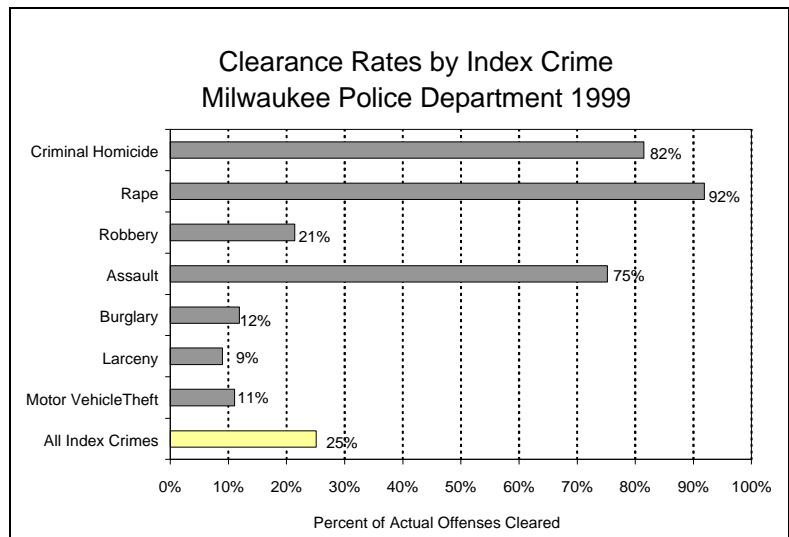
A high clearance rate is important for two reasons: arrests deter the arrested offender (specific deterrence) and a consistently high clearance rate sends the message to other would-be perpetrators that few people get away with committing crimes (general deterrence). But the deterrent effect of police investigations and arrests ultimately depends on criminals promptly facing real consequences for their actions, including incarceration. Early prison release undermines deterrence.

The Police Department estimates that Milwaukee's total clearance rate will increase to 34.0% in 2001. However, clearance rates tell only part of the story in terms of the Milwaukee Police Department's impact on public safety and criminal behavior. This objective includes funding for the Vice and Intelligence Divisions and other efforts related to tracking and halting the trade of drugs in Milwaukee. Narcotics offenses do not factor into the FBI index or clearance reports. Consequently, although many crimes re-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of reported crimes cleared by arrest.	25.1%	34.0%	34.0%
Funding by Source:			
Operating Funds	\$45,581,481	\$75,973,628	\$84,667,233
Grant and Reimbursable	2,369,965	775,445	2,291,147
Capital Budget	1,198,061	2,531,182	4,991,225
Total:	\$49,149,507	\$79,280,255	\$91,949,605

Figure 1



ported to the FBI are in fact drug-related, the FBI reported clearance rate does not directly measure the effectiveness of these special units, nor their impact on other types of serious crime.

ACTIVITIES

- Criminal investigations
- Drug abatement
- Vice control
- Intelligence operations
- Special initiatives
- Training-resolving and clearing crimes

PROGRAM CHANGES

High Intensity Drug Trafficking Area Project (HIDTA): Since 1998, the Police Department has participated in a cooperative anti-drug initiative known as HIDTA. HIDTA, funded by the Office of National Drug Control Policy, combines the efforts of federal, state, and local law enforcement agencies to stop drug trafficking. The Milwaukee Police Department receives reimbursement by the HIDTA project for staff time committed to the project's several task forces. The 2001 budget includes 50%

funding for one additional sworn personnel (0.5 FTEs) bringing the number of positions funded by this grant to 17.

Program Result Measures: In 2001, the Police Department will continue to develop new program result measures to monitor its objective of responding to and deterring criminal activity. The department will also continue to monitor the clearance rates of the seven major crime categories, track drug arrests and analyze their impact on the safety of the surrounding neighborhood.

OBJECTIVE 2

Prevent, deter, and suppress crime as measured by the percentage change in reported violent crimes per 100,000 residents (FBI index).

OUTCOME HISTORY

In 2001, the MPD will devote approximately \$39.7 million to minimizing criminal activity. The 2001 budget includes a new outcome indicator to measure the department's effectiveness in preventing, deterring and suppressing crime. The new measure will track the percentage change in reported violent crimes per 100,000 residents. The FBI violent crime index, a uniform national reporting instrument, is composed of reported crimes of homicide, rape, robbery and aggravated assault.

Previously, the department tracked Milwaukee's ranking among cities of comparable size (population between 500,000 and 1 million). The outcome measure was changed in an effort to more accurately communicate the department's impact on crime to both citizens and Police Department personnel. For example, if Milwaukee's ranking improved from fifth to second compared to other cities, it did not necessarily mean that the city was becoming safer. By measuring the change in violent crime from year to year, the measure becomes static and understanding the city's trend in public safety is clarified. Figure 2 depicts the number of homicides and the city's violent crime rate per 100,000 residents for the years 1990 – 1999. The chart depicts that Milwaukee's 1999 violent crime rate of 964.5 crimes per 100,000 residents, while slightly higher than the 1998 rate, is much lower than past experience. For example, the

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent change in reported violent crimes.	0.3%	-0.1%	-10.0%
Funding by Source:			
Operating Funds	\$101,003,638	\$31,755,445	\$36,517,003
Grant and Reimbursable	1,023,998	2,717,518	989,943
Capital Budget	2,711,620	0	2,156,573
Total:	\$104,739,256	\$34,472,963	\$39,663,519

violent crime rate in 1997 was 1073.4 crimes per 100,000 residents, 10.1% higher than the 1999 rate.

The number of homicides, the most serious factor of the violent crime index, has also shown significant improvement. In 1999, the city had 117 homicides. While the department's goal is to reduce this number to as close to zero as possible, homicides have decreased 28% from 1991. The department projects that the violent crime rate, including the number of homicides, will decrease by an additional 10% in 2001. The Police Department's long-term goal in this area is a 50% reduction in violent crime.

The FBI violent crime index, while valid for a means of measurement, includes only "serious" crimes. In order to be effective, Police Departments must also be successful at reducing "minor" crimes and municipal ordinance violations that could potentially lead to more serious crime.

These and other signs of “disorder” have been empirically linked to more serious crime. Social scientists James Q. Wilson and George Kelling use the metaphor of a broken window: “If a window in a building is broken and is left unrepaired, all the rest of the windows will soon be broken...’untended’ behavior also leads to the breakdown of community control. Serious street crime flourishes in areas in which disorderly behavior goes unchecked.”¹

The Milwaukee Police Department has a central mission focused on the “quality-of-life” in Milwaukee. In order to achieve this mission, the department relies on a weekly process known as “crime analysis” which centers around examining localized crime trends in detail, and holding supervisors accountable for addressing specific trends or concerns. Implementation of quality-of-life policing has helped officers and supervisors at all levels be more proactive than reactive, and focus resources on the tasks, problems, and geographic areas with the largest potential for improving Milwaukee’s overall safety.

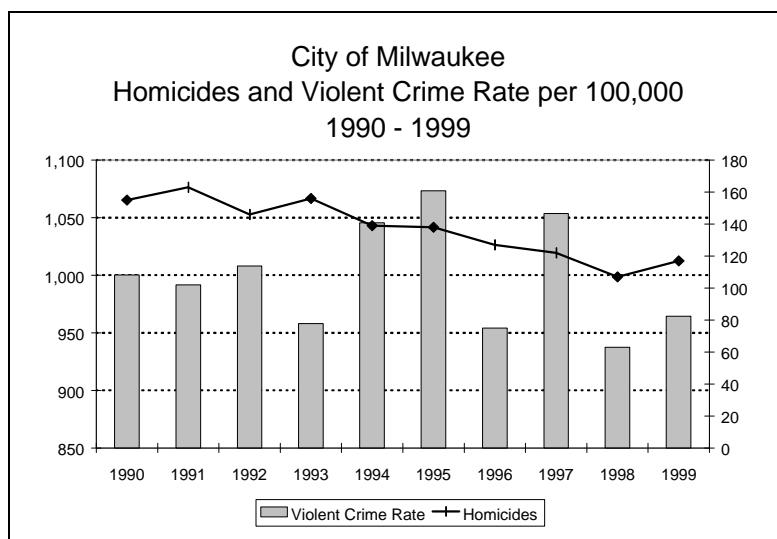
ACTIVITIES

- Patrol
- Area-specific patrol
- Bicycle patrol
- Neighborhood foot patrol
- Mounted patrol
- Boat patrol
- Special Operations Bureau/Patrol Support Division activities
- Tactical enforcement
- Coordination with neighborhood groups and businesses
- Informing of residents, landlords, etc.

PROGRAM CHANGES

Mayor’s Commission on Crime: In 2000, the Mayor formed a community-based commission to make recommendations on how to reduce violent crime in the city by 50%. The commission formed five subcommittees to focus on specific areas of crime reduction including: community relations, law enforce-

Figure 2



ment, youth, probation and parole, alcohol, drug, mental health, and domestic violence issues.

The recommendations of the report focused on increasing community involvement in crime prevention and suppression activities, decentralizing some police activities to the district stations to increase effectiveness and accountability, and more programs targeted at reducing gun use and violence in the city.

The 2001 budget includes several initiatives aimed at addressing the commission’s recommendations. The Special Purpose Account budget includes \$50,000 to continue funding for the Operation Ceasefire Program. Operation Ceasefire is a public education program that informs the public about the consequences of using firearms in commission of a crime.

The Milwaukee Police Department was represented and participated in the work of the Crime Commission. To incorporate some of the recommendations of the Crime Commission, the Police Department will continue to develop collaborations with the faith community and other community-based groups, the court system, prosecutors, probation/parole officers, City Attorney’s Office, Department of Neighborhood Services and other agencies in 2001. These collaborations will be driven by the Community Safety Coalition, an on-going partnership to improve the safety of Milwaukee neighborhoods, and will take a more central role in the development of future policing strategies.

¹ Wilson, James Q. and George L. Kelling “Broken Windows: The Police and Neighborhood Safety,” *The Atlantic Monthly*, March, 1982.

Squad Cars and Technology: The Police Department will maintain the existing vehicle fleet's Mobile Data Computers (MDCs) to ensure no reduction in the current capabilities of the system. MDCs are laptop computers with a radio receiver/transmitter that connects the patrol car computer to the Police Department's mainframe computers, the State Division of Motor Vehicles' drivers license database, and the Wisconsin and FBI warrant files. In 2001, enhancements will be made to ensure compatibility with the new systems integrated within the Data/Communications Center. In addition, the Po-

lice Department will evaluate alternative wireless data communication methods for reliability and functionality.

Program Result Measures: In 2001, the Police Department will continue to develop new program result measures to monitor its progress toward making Milwaukee a safer city. The department will also continue to track crimes reported in the seven UCR crime categories, and track the number of quality-of-life arrests per year.

OBJECTIVE 3

Provide services in a manner acceptable to a diverse community with varying needs and demands for police services as measured by the percentage of city residents rating interactions with police as "satisfactory".

OUTCOME HISTORY

A positive image of the police among Milwaukee residents reinforces the department's efforts to reduce disorder, prevent and deter criminal activity, and clear crimes that are committed. Thus, the approximately \$46.8 million the department spends on this objective not only helps public relations, but also makes everything else the department does more effective. The following table shows that the Milwaukee Police Department maintains an impressive record in terms of citizen satisfaction. In 1999, approximately 96% of citizens interviewed who had interaction with the Police Department indicated that police services were "satisfactory" or better, far surpassing the expected level of around 70%.

The survey instrument used to determine satisfaction was developed in 1994 with the assistance of an independent consultant. It covers citizen satisfaction with response time, usefulness of officer actions, officer conduct, and an overall rating of the citizen's contact with the department.

Educational programs for officers and city residents alike contribute to this objective. Officers and supervisors receive training on diversity, sensitivity, and community relations. The Police Department also reaches out into the community, with home safety training, educational programs in schools, and other

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percentage of city residents rating interactions with police as "satisfactory" or better.	96.0%	98.0%	98.0%
Funding by Source:			
Operating Funds	\$7,621,542	\$42,083,654	\$43,049,036
Grant and Reimbursable	1,208,787	1,020,140	1,168,587
Capital Budget	203,844	18,561,998	2,545,746
Total:	\$9,034,173	\$61,665,792	\$46,763,369

information on avoiding crime. These activities allow the Police Department to focus on the diversity of the citizens they serve. In 2001, the Police Department estimates that 98% of citizens will report satisfaction with police services.

It is not only training that determines how well services are delivered. In 2000, this objective was reformulated to incorporate efforts to maintain a fleet of vehicles, radio communications infrastructure, dispatching systems and communications personnel that keep police officers "on the street" and in touch with events and each other. It also includes expenditures for technologies that create efficient processes and provide sworn and civilian managers with better and more timely information. The expenditure level for this objective reflects the fact that each officer on the street and each detective investigating crimes relies on a large supporting cast to be effective and meet the needs of the community.

ACTIVITIES

- Community services
- Safety Division
- Building and Fleet maintenance
- Communications operations and maintenance
- Central records
- Identification
- Property control
- License investigation

PROGRAM CHANGES

Improving City's Radio Infrastructure: The 2001 budget includes capital funding of \$300,000 in the Department of Administration-Information and Technology Division budget to study the city's current radio infrastructure. The Police Department, the department currently responsible for all City of Milwaukee radio communications systems, requested

funding for this study. The study will analyze the city's current radio infrastructure and determine if it needs to be updated or replaced - especially in light of recent technological advances and expected Federal Communications Commission (FCC) rule changes.

The Vehicle Fleet: The 2001 budget provides funding for 50 police cars. The purchase of these vehicles will continue to lower the age and mileage of the fleet and reduce vehicle maintenance costs.

Program Result Measures: The Police Department will continue to develop several new result measures in 2001 to assess their success in achieving citizen satisfaction. The department will also continue to track the percentage of fleet available to officers on a monthly basis, and the number of calls received by priority category to determine service levels to City of Milwaukee residents.

OTHER ACTIVITIES AND CHANGES

Grant Programs: The 2001 budget contains a total of 34 positions partially- or wholly-funded by grant programs. Significant changes from the 2000 budget include tax levy funding of 7 positions formerly funded by various grants, and tax-levy funding of an additional 6.25 FTE Police Officer positions to reflect the expiration of the COPS II Universal Hiring Grant in April, 2000. The department will continue to make a good faith effort to retain all positions created through grant programs.

These positions contribute to the department's ability to ensure public safety and provide effective law enforcement. The department will continue to seek additional grants when they can make a significant contribution to the city's law enforcement efforts. The Police Department continues a policy of aggressively pursuing grants to supplement its investments in equipment and technology and to fund one-time expenditures.

Administrative Changes: The 2001 budget includes the elimination of one Office Assistant II in lieu of creating a second Personnel Officer in the department's Personnel Division. This change will supplement Police Department personnel administration functions. The net budgetary impact of this change is \$19,505.

Transfer of Tow Desk Functions to the Parking Fund: The 2000 budget consolidated the city's parking checker, tow desk and night parking functions within the Department of Public Works-Parking Fund (DPW). In order to ease the transfer of personnel to the Parking Fund, it was decided that the tow desk function would remain in the Police Department for the first six months of 2000, and then transfer to DPW in July. The 2001 budget reflects this final transition and eliminates thirteen part-time positions of Office Assistant II (0.5FTE) from the Police Department budget (\$-160,953 excluding fringe benefits). These positions will be fully supported by the Parking Fund in 2001.

CAPITAL IMPROVEMENTS

The 2001 capital budget includes \$9.7 million in new funding for MPD projects. Key projects in 2001 include:

Data and Communications Center: Construction began in late 1999 on the District #3/Com Data Center on Milwaukee's west side. The 2001 capital im-

provements budget includes \$7.6 million for this project. The project has an expected budget of over \$43.6 million and is scheduled for completion in 2001.

Police Administration Building Renovation: The 2001 capital budget includes \$2.1 million to continue the renovation of the Police Administration Building (PAB). This reoccurring project funds the plumbing, heating and ventilation, asbestos abatement, structural and mechanical systems needs of the PAB. Funding included in the 2001 budget will support projects to replace the garage floor, various HVAC upgrades and initiate a project to replace the elevators.

ADA Compliance Program (Various Facilities): This program, which began in 1993, is part of a ten

year program designed to bring all MPD facilities into compliance with the Americans with Disabilities Act by the year 2004. In accordance with the capital plan, \$18,544 has been allocated for 2001.

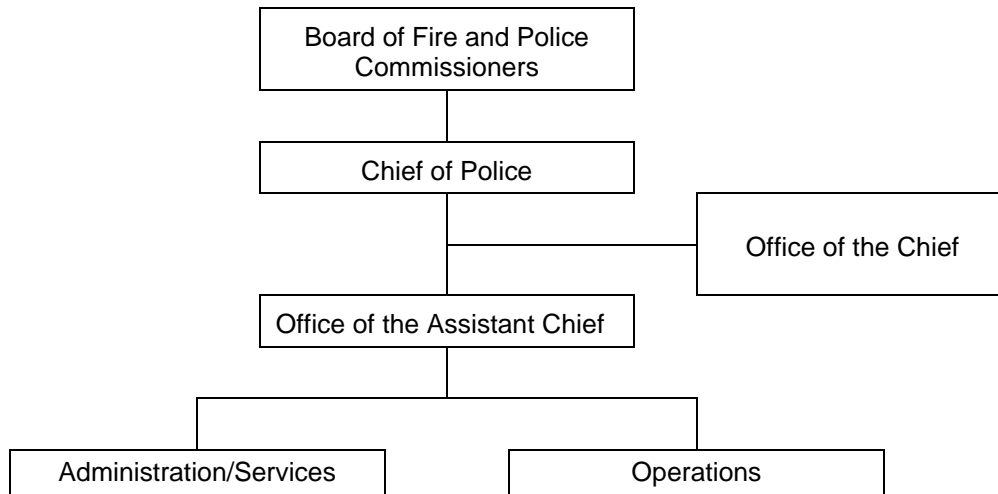
District Renovation Needs Assessment: The 2001 budget includes \$15,000 to conduct a needs assessment for the Second District Station. The department anticipates that this account will be a reoccurring request each year with one district station being assessed per year. This project will fund a thorough investigation of the needs for each district facility. These assessments will aid the department in planning district renovation projects and incorporating appropriate repairs, replacements and upgrades into their capital plan.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	2,860.82	2,658.10	2,637.48	-20.62
FTEs - Other	49.40	36.08	23.50	-12.58
Total Positions Authorized	3,010	2,933	2,920	-13
DLH - Operations and Maintenance	4,720,361	4,385,865	4,351,842	-34,023
DLH - Other Funds	81,510	59,532	38,775	-20,757
EXPENDITURES				
Salaries and Wages	\$116,328,191	\$113,765,380	\$120,762,252	\$6,996,872
Fringe Benefits	26,038,636	25,028,384	32,615,258	7,586,874
Operating Expenditures	9,691,187	9,472,445	9,309,244	-163,201
Equipment	2,148,647	1,546,518	1,546,518	0
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$154,206,661	\$149,812,727	\$164,233,272	\$14,420,545
REVENUES				
Intergovernmental	\$237,900	\$530,000	\$650,600	\$120,600
Charges for Services	535,900	257,000	251,000	-6,000
Fines and Forfeitures	12,359,700	13,800,000	0	-13,800,000
Miscellaneous	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>-5,000</u>
TOTAL	\$13,133,500	\$14,592,000	\$901,600	\$-13,690,400

CAPITAL PROJECTS - Includes \$9,693,544 for the following projects:

- | | |
|---|-------------|
| a. Data Services Communications Center/Third District | \$7,560,000 |
| b. Police Administration Building Remodeling | \$2,100,000 |
| c. ADA Building Standards Compliance | \$18,544 |
| d. District Renovation Needs Assessment | \$15,000 |

ORGANIZATION CHART

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Administration Decision Unit			
-1	-1.00	Captain of Police (Operating Funding \$-63,659)	Civilianization.
1	1.00	Staff Assistant - Senior (Operating Funding \$50,363)	
-2	-2.00	Police Electronic Technician (Operating Funding \$-85,332)	
2	2.00	Electronic Technician (Operating Funding \$85,332)	
-1	-1.00	Systems Analyst - Lead (Operating Funding \$-69,796)	Positions reclassified in city-wide information and technology study.
1	1.00	Systems Analyst Project Leader (Operating Funding \$75,577)	
-1	-1.00	Technical Systems Analyst (Operating Funding \$-61,233)	
1	1.00	Systems Analyst - Senior (Operating Funding \$65,308)	
-1	-1.00	Automated Systems Specialist (Operating Funding \$-43,512)	
1	1.00	Network Manager (Operating Funding \$53,011)	
-1	-1.00	Police Data Communications Spec (Operating Funding \$-47,835)	
1	1.00	Data Communications Specialist (Operating Funding \$43,779)	
-2	-2.00	Microcomputer Coordinator (Operating Funding \$-70,602)	
2	2.00	Network Coordinator - Senior (Operating Funding \$82,138)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Office Assistant II (Operating Funding \$-22,202)	Reallocation of positions to supplement departmental personnel functions.
1	1.00	Personnel Officer (Operating Funding \$41,707)	
-13	-6.50	Office Assistant II (0.5 FTE) (Operating Funding \$-160,953)	Positions fully transferred in 2000 to the Department of Public Works for tow desk functions. These positions will be fully supported by the Parking Fund in 2001.
-1	-1.00	Office Assistant V (Operating Funding \$-27,919)	Reclassification.
1	1.00	Administrative Assistant II (Operating Funding \$27,919)	
		Operations Division	
0	6.33	Various Sworn Positions (Operating Funding \$292,545)	To reflect 2001 grant funding levels for various Police Department grants. Positions will be funded by operating funds in 2001.
0	-6.33	Various Sworn Positions (Non-Operating Funding \$-292,545)	
0	6.25	Various Sworn Positions (Operating Funding \$270,875)	To reflect expiration of COPS Universal Hiring Grant. Positions will be funded by operating funds in 2001.
0	-6.25	Various Sworn Positions (Non-Operating Funding \$-270,875)	
0	-26.70	Various Positions (Operating Funding \$-1,080,859)	Adjustment reflects increased vacancy assumptions.
-13	-33.20	TOTAL	

PORT OF MILWAUKEE

EXECUTIVE SUMMARY

MISSION:	To enhance the overall economic environment of the region by stimulating trade, business, and employment.
STRATEGIC ISSUES:	<p>Become universally recognized as the quality provider of transportation and distribution services in the Midwest.</p> <p>Become financially self-sufficient.</p> <p>Accentuate competitiveness and individualized customer services.</p> <p>Actively develop Port-based manufacturing business.</p>
INITIATIVES FOR 2001:	<p>Coordinate private sector financing and construction of a high speed ferry initiative to provide passenger and vehicle transport across Lake Michigan.</p> <p>Renew land lease agreements with private companies.</p>

BACKGROUND

The Port of Milwaukee administers 470 dry acres of city-owned property at or near the city's lakefront. Milwaukee World Festivals, Inc. currently leases roughly two-thirds of the Port's North Harbor land for the Maier Festival Grounds, home of Summerfest, various ethnic festivals, and the Marcus Amphitheater. Smaller leaseholders and city-owned facilities account for most of the remaining acreage.

The Port of Milwaukee seeks to stimulate trade, business, and employment by serving as a regional transportation hub for Southeastern Wisconsin. The Port links waterborne, rail, and ground surface transportation in an accessible location, close to the downtown. The seven-member Board of Harbor Commissioners governs the promotion, marketing, and maintenance and operations functions of the Port of Milwaukee.

Shipping Industry Trends: Over the past 25 years, companies that traditionally shipped their goods

have experienced increasing flexibility in choosing the method of moving products. This has resulted from several trends including deregulation of the transportation industry and "intermodalism"- the ability to send cargoes via multiple transportation modes while in a single container. Great Lakes transport interests have also faced problematic protectionist policies, including trade restrictions on imported steel, U.S. flag cargo preference regulations, and the high cost of St. Lawrence Seaway tolls.

Additionally, an increasingly globalized economy has put pressure on U.S. industry to be more competitive in both export and domestic markets. These combined forces have put many shippers out of business and have increased pressure on remaining shipping providers to furnish competitively priced, timely service. The Port has responded proactively to the changing transportation environment by seeking new markets and by providing high quality, flexible services.

OBJECTIVE 1

To focus on business-based operations and to become financially self-sustaining by recovering 100% of operating expenses with revenue.

OUTCOME HISTORY

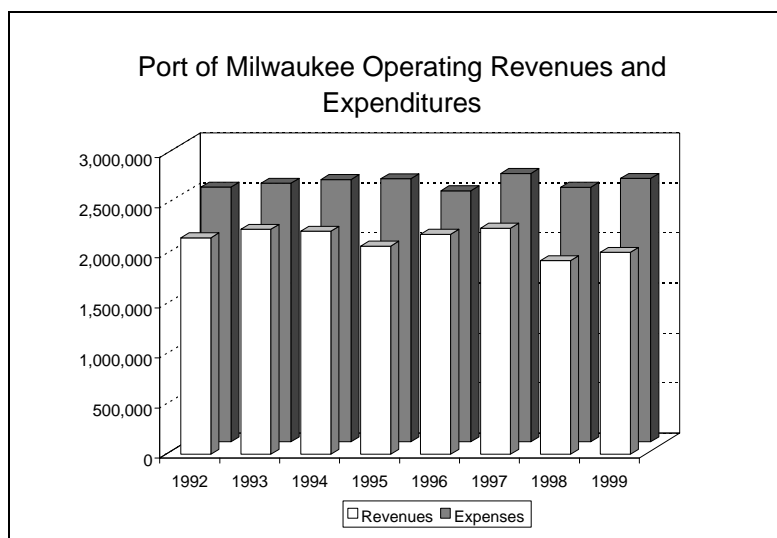
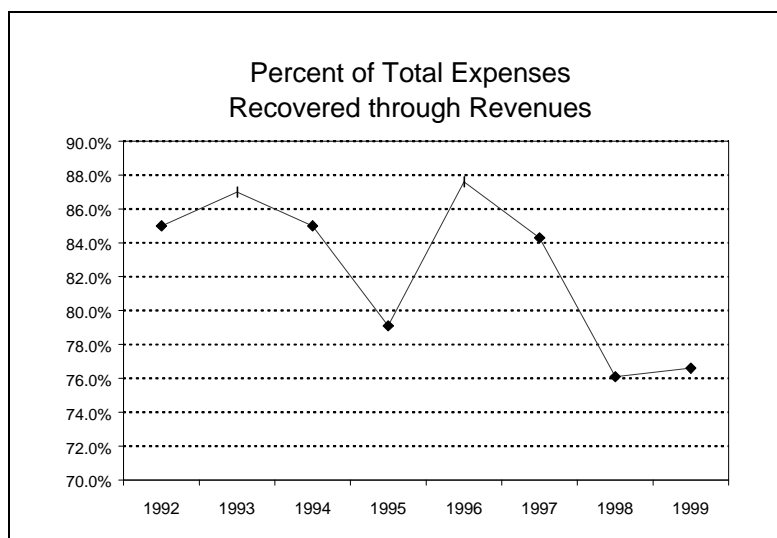
Currently, the Port earns enough annual revenue to cover its personnel and other operating costs. Over the past eight years, however, the Port has only been able to cover approximately 83% of expenses through revenues when all Port expenses, including depreciation of assets are included (see Figure 1). In 1999, the Port recovered 76.6% of expenses through revenues representing a .5% increase from 1998 (see Figure 2).

In 2001, the Port continues to pursue two major activities that it expects to increase its cost recovery. First, it is currently working to select a ship builder to construct a high-speed passenger vessel to provide commuter transport service between Milwaukee and Muskegon, Michigan via Lake Michigan. This service is anticipated to be available in 2003 and will generate increased revenue - at minimal expenses - by responding to a high demand for such service that enables travelers to avoid Chicago traffic. Second, the Port will demolish an old dock office and transform the space into a valuable cargo area that should increase tonnage, thereby increasing revenues.

Until 1997, the Port had made significant improvements in increasing the tonnage of cargo passing through Milwaukee (see Figure 3). Every year between 1992 and 1996 total tonnage grew, with expansion particularly pronounced in the steel and bulk grain categories. Recent mild winters in 1998 and 1999 have reduced demand for bulk cargo, most notably salt and coal, resulting in decreased tonnage in those years. However, several recent developments are expected to result in tonnage and revenue increases in 2001. These include: the leveling of the old dock office; a new bare ground lease of four acres with a cement processing company; and recent changes to federal shipping regulations that allow the

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Percent of total expenses covered by revenues.	76.6%	85.0%	85.0%
Funding by Source:			
Operating Funds	\$1,980,854	\$2,220,060	\$2,226,008
Grant and Reimbursable	0	800,000	2,400,000
Capital Budget	1,296,570	3,305,000	725,000
Total:	\$3,277,424	\$6,325,060	\$5,351,008

Figure 1**Figure 2**

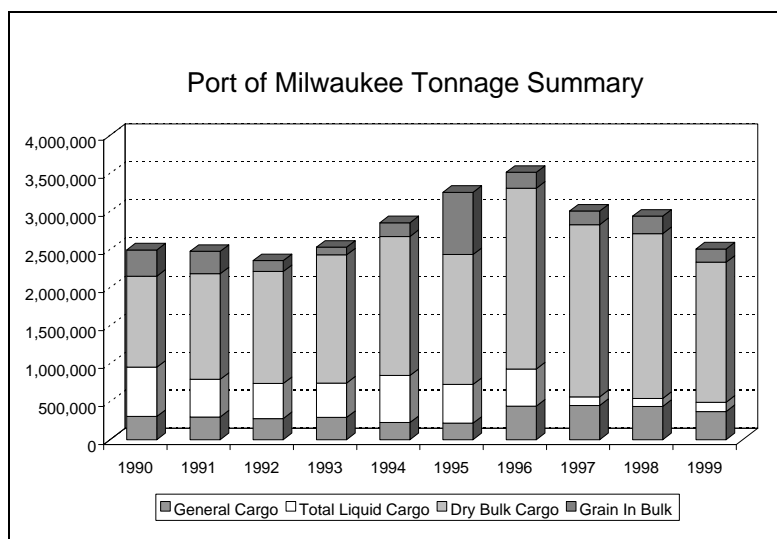
Port to send shipments for the U.S. Department of Agriculture's Public Law 480 Food for Peace Program for the first time since 1991.

In 2001, the Port will allocate \$5.4 million towards increasing the percent of Port expenses recovered through revenues.

ACTIVITIES

- Market Port facilities
 - Marketing and promotion
 - Seek changes in federal laws
- Provide complementary service
 - Vessel harbor equipment and vessels
 - Crane operations

Figure 3



ACTIVITIES AND CHANGES

Passenger Vessel Initiative: The 2000 budget included \$1.9 million in capital funding for improvements to implement a high-speed ferry across Lake Michigan. This project, together with the Port's efforts to induce international passenger vessel service into the Port, is part of a broader initiative to promote passenger as well as freight transportation operations through the Port.

Currently, none of the capital funds awarded in 2000 for the high-speed ferry initiative have been expended. The Port will not pursue permanent docking facilities for both a ferry and cruise operation until it has finalized construction and financing agreements for the high-speed ferry. The Port is currently working to finalize selection of a ship builder with vessel construction anticipated to begin in 2001.

Food for Peace Cargoes: In August of 2000, the Port was awarded a major shipment of 9,600 tons of bagged food product to be shipped to India under the U.S. Department of Agriculture's Public Law 480, or Food for Peace Program. During the 1980's the Port was a major loading port for Food for Peace shipments destined for Africa, Latin America, and India. However, due to changes in federal shipping regulations that favored U.S. Gulf Ports over Great Lakes

Ports, not since 1991 has the Port been awarded a Food for Peace shipment. Recent changes to these regulations will again allow the Port to compete for these shipments.

River Barges: The Port is currently working to return river barge service to Milwaukee. Barges that ran between Milwaukee and the Mississippi River from 1993 through 1996 averaged 158,000 tons each year. This service was halted in 1996 due to federally imposed fees that restrict barge service to Milwaukee. Currently, the U.S. Coast Guard is cooperating with the Port to rewrite the regulations under which river barges can transit on Lake Michigan. The Port anticipates that changes to these regulations will return its competitive connection to the Nation's inland waterway system.

Lease Agreements: The Port identifies new opportunities to lease its land to private businesses and assesses its current lease agreements based upon their benefit to the Port and to the City of Milwaukee. The Port has recently entered into a new lease agreement with a cement processing company anticipated to generate 150,000 tons of dry bulk shipments and is currently renegotiating its Summerfest fairgrounds long-term lease agreement.

CAPITAL IMPROVEMENTS

Terminals and Pier Maintenance: In 2001, the Port has budgeted \$75,000 for pier and terminal maintenance. These improvements include routine pier maintenance, as well as improvements to terminal exteriors, restrooms, offices, heating, and electrical wiring.

Pier, Berth, and Channel Improvements: In 2001, the Port will use \$600,000 for dredging the inner harbor. The area of the inner harbor near the mouth of

the Kinnickinnic has become laden with sediment, which presents a hazard to large cargo ships docking at the Port's inner terminals. The Wisconsin Harbor Assistance Program will cover 80% of the cost.

Analyze and Upgrade Sewer System: The Port currently maintains and operates its own water and sewer distribution system. The Port will use \$50,000 to analyze and make improvements to this system.

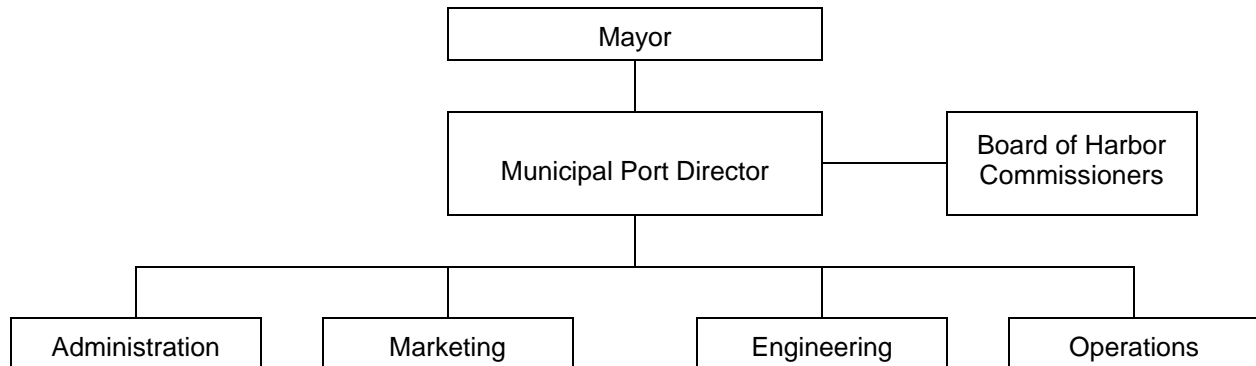
BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	24.51	20.00	20.00	0.00
FTEs - Other	0.01	1.00	1.00	0.00
Total Positions Authorized	35	35	35	0
DLH - Operations and Maintenance	44,118	43,000	43,680	680
DLH - Other Funds	21	1,800	1,800	0
Salaries and Wages	\$998,727	\$1,003,623	\$1,021,337	\$17,714
Fringe Benefits	302,114	321,159	337,041	15,882
Operating Expenditures	677,536	864,278	864,630	352
Equipment	2,477	31,000	3,000	-28,000
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$1,980,854	\$2,220,060	\$2,226,008	\$5,948
REVENUES				
Charges for Services	<u>\$2,309,853</u>	<u>\$2,220,060</u>	<u>\$2,226,008</u>	<u>\$5,948</u>
TOTAL	\$2,309,853	\$2,220,060	\$2,226,008	\$5,948

CAPITAL PROJECTS - Includes \$725,000 in city funds for the following projects:

- a. Terminal and Pier Maintenance \$75,000
- b. Sewer System Upgrade \$50,000
- c. Pier, Berth, and Channel Improvements \$600,000

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES - None

DEPARTMENT OF PUBLIC WORKS

EXECUTIVE SUMMARY

- MISSION:** To promote the health, safety, mobility, and quality-of-life for all City of Milwaukee residents and visitors by providing:
- Safe, attractive, and efficient surface infrastructure systems;
 - Solid waste collection, disposal, recycling, and waste reduction;
 - Safe, aesthetically pleasing, and sufficient drinking water;
 - Storm water and waste water conveyance; and,
 - Support services and facilities for the Department of Public Works (DPW) and other city departments.
- STRATEGIC ISSUES:** Provide a transportation system that adequately balances the use of mass transit, automobiles, and other modes of transportation.
- Improve the environment by reducing solid waste in landfills and reducing air and water pollution to federally required levels.
- Improve the attractiveness and safety of neighborhoods in a way that enhances the identity of neighborhoods and attracts people to them.
- Address regional problems at a regional level instead of a local level.
- INITIATIVES FOR 2001:** Improve the provision of communication services to city departments.
- Work with the state and county governments on major transportation projects, including the Sixth Street Viaduct, Park East Freeway, and Marquette Interchange.
- Create and implement the Solid Waste Enterprise Fund.

BACKGROUND

The Department of Public Works was originally created in 1910. While the department's activities have evolved through the years, the organizational structure basically remained unchanged until 1996. The 1996 budget presented a new Department of Public Works that had been restructured as a result of the strategic planning process. Since the 1996 budget, DPW has consisted of the following divisions:

- Administrative Services Division;
- Buildings and Fleet Division;
- Forestry Division;
- Infrastructure Services Division;
- Sanitation Division; and
- Water Works Division.

For the last several years, the Department of Public Works has successfully found ways to increase productivity and provide the same level of service at a reduced funding level. The operating and maintenance budget for DPW operating divisions (in real dollars) has decreased by approximately 39.7% since 1991. However, most of this decrease is a result of creating the Solid Waste Fund in the 2001 budget (as shown in Figure 1). If the fund is included in the operating budget total, the budget decreases by 8.9%

DPW has been able to achieve reductions in operating budgets over the last several years; not by changing the services they provide, but by changing

the way they provide services. Improved efficiency, utilization of technology, and new ways of doing

business has allowed the department to reduce costs while maintaining service levels.

OBJECTIVES

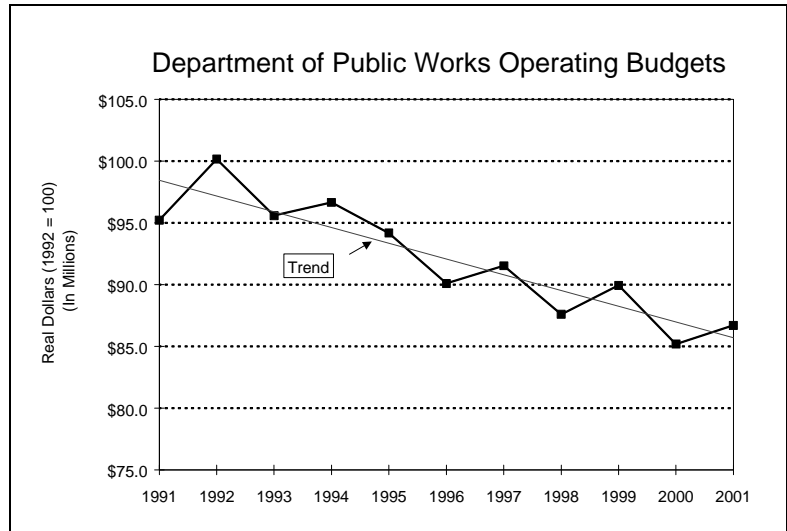
To help meet its objectives, the 2001 budget for the Department of Public Works operating divisions includes operating and maintenance funding totaling approximately \$69.6 million, state grant funding totaling approximately \$2.9 million, and capital funding totaling approximately \$42.5 million. Approximately \$48 million in state and federal aid will be provided in 2001 for city infrastructure needs. In addition, the Water Works 2001 budget includes \$59 million in operating funds, and \$14.3 million in capital funds. The Parking Fund 2001 budget includes approximately \$25.1 million in operating funds and \$6.7 million in capital funds. The 2001 Sewer Fund budget includes approximately \$18.1 million in operating funds, and \$15.3 million in capital funds. The 2001 Solid Waste Fund budget includes approximately \$35.5 million in operating funds.

Table 1 shows the percentage of DPW's funding allocated to each of its objectives. Aggregate funding levels for each DPW objective are included in the outcome indicator and funding table at the end of this section. In 2000, all divisions provided new program result measures for their programs. In addition, some new outcome indicators were created, including reduction of citizen complaints regarding the condition of boulevards and maintaining city cleanliness as measured by the Photometric Index. DPW will continue to work on developing meaningful data-driven outcome measures for all of its objectives in order to enable policymakers to analyze program success. Detailed descriptions of individual objectives, including outcome history, activities, and funding levels are included in division summaries.

ACTIVITIES

- Design, maintenance, and repair of 216 bridges
- Maintenance of 220 city-owned buildings
- Design, construction, and maintenance of streets, sewers, water facilities, alleys, sidewalks, and bridges

Figure 1



- Maintenance of city trees, boulevards, playgrounds, and parking lots
- Collection and disposal of garbage and operation of the city recycling program
- Snow and ice control on city streets
- Administration of the citation processing and towing contracts

Table 1

Percentage of DPW Funding by Objective	
Objective	
Public Way Condition	9.86%
Bridge Condition	2.55%
Street Lighting and Playgrounds	4.86%
Boulevard Appearance	1.90%
Tree Mortality	2.99%
Snow and Ice Control	2.64%
Traffic Accidents	1.85%
Solid Waste Reduction	1.62%
Drinking Water	26.80%
City Cleanliness	13.90%
Sewer System Services	14.49%
Building Services	6.24%
Communication Services	0.56%
Parking Regulation and Compliance	9.74%
TOTAL	100.00%

- Design, construction, and maintenance of the street and alley lighting system
- Traffic control through design, regulation, and control systems
- Maintenance and service of the city-owned automobile and construction equipment fleet
- Operation of the city water utility
- Maintenance of the city's sewer system

PROGRAM CHANGES

The 2001 budget reflects several program changes for the Department of Public Works. The majority of program changes are discussed in detail in the summary for the appropriate division. Following are highlights of department-wide changes.

Parking Enforcement Improvements: The 2001 budget transfers responsibility for administration of the city's citation processing/cash management contract from DPW-Administrative Services Division to the Parking Fund. This consolidates almost all parking enforcement functions into the Parking Fund,

allowing for better coordination and management of these functions.

Creation of Solid Waste Fund: The 2001 budget creates a new enterprise fund for solid waste services. The entire Department of Public Works – Sanitation Division will be placed into the fund. The fund will recover a portion of solid waste costs through a fee, while the remaining costs will continue to be recovered through the property tax. Creation of the fund will not affect service provision. The fund is explained in more detail in the “Solid Waste Fund” section of the *2001 Plan and Budget Summary*.

Technology Improvements: In 2001, DPW will continue its efforts to improve city administration and service delivery through the use and enhancement of technology. This will involve continued enhancements to the time entry system, completion of the Community Safety wide-area network, automation of the Call Center, and development of an Invoice/Accounts Receivable application.

CAPITAL IMPROVEMENTS

The 2001 capital improvements budget for the Department of Public Works totals approximately \$78.9 million (including Water, Parking, and Sewer). Major DPW capital projects include street resurfacing and reconstruction; facilities maintenance and repair; and

maintenance of the water and sewer systems. More detailed discussions of capital projects are included in division summaries, as well as the “Capital Improvements Funds” section of the *2001 Plan and Budget Summary*.

OUTCOME INDICATORS AND FUNDING

		1999 Experience	2000 Budget	2001 Projection
Objective 1:	Public Way Condition			
Outcome Indicator:	Street Pavement Condition Index.	6.1	5.5	5.5
	Alley Condition Index.	74 (1996)	74	74
	Funding by Source:			
	Operating	\$10,016,809	\$9,670,353	\$9,528,075
	Capital	21,239,445	16,172,576	18,206,533
	Grant*	(10,240,796)	(19,864,806)	(33,850,818)
	Total:	\$31,256,254	\$25,842,929	\$27,734,608
Objective 2:	Bridge Condition			
Outcome Indicator:	Percentage of bridges rated above a condition rating of 50.	85.0%	81.0%	81.0%
	Funding by Source:			
	Operating	\$5,019,149	\$5,232,795	\$4,315,562
	Capital	3,133,247	213,000	2,864,000
	Grant*	(24,518,000)	(63,801,000)	(12,711,000)
	Total:	\$8,152,396	\$5,445,795	\$7,179,562
Objective 3:	Street Lights and Playgrounds			
Outcome Indicator:	Percentage of streets meeting IES standards.	97.6%	94.5%	94.5%
	Citizen satisfaction rating for playgrounds.	60.0% (1996)	60.0%	60.0%
	Funding by Source:			
	Operating	\$9,844,900	\$7,117,295	\$8,516,742
	Capital	4,593,629	5,000,000	5,150,000
	Grant*	0	0	(383,000)
	Total:	\$14,438,529	\$12,117,295	\$13,666,742
Objective 5:	Boulevard Appearance			
Outcome Indicator:	Reduce the number of citizen complaints regarding the condition of boulevards to less than 50 per year. *	N/A	50.0	50.0
	Funding by Source:			
	Operating	\$4,585,925	\$4,846,892	\$4,877,278
	Capital	267,306	152,000	470,000
	Total:	\$4,853,231	\$4,998,892	\$5,347,278

*This is a new outcome indicator established in 2000. No data is available for prior years.

		1999 Experience	2000 Budget	2001 Projection
Objective 6:	Tree Mortality			
Outcome Indicator:	Tree mortality rate.	1.90	1.96	1.96
	Funding by Source:			
	Operating	\$8,061,024	\$5,508,222	\$7,903,385
	Capital	446,827	446,000	498,000
	Total:	\$8,507,851	\$5,954,222	\$8,401,385
Objective 8:	Snow and Ice Control			
Outcome Indicator:	Pounds of salt spread per street lane mile.	280	250	250
	Funding by Source:			
	Operating	\$8,912,577	\$6,607,680	\$3,249,790
	Capital	628,235	0	0
	Solid Waste Fund	0	0	4,174,555
	Total:	\$9,540,812	\$6,607,680	\$7,424,345
Objective 10:	Traffic Accidents			
Outcome Indicator:	Reduce the number of traffic accidents by 5%.	13,127	17,000	17,000
	Funding by Source:			
	Operating	\$5,135,802	\$4,106,884	\$4,511,680
	Capital	725,340	632,000	687,000
	Grant*	(838,800)	(0)	(0)
	Total:	\$5,861,142	\$4,738,884	\$5,198,680
Objective 12:	Solid Waste Reduction			
Outcome Indicator:	Residential solid waste land filled per capita (lbs).	725	700	700
	Funding by Source:			
	Operating	\$4,245,702	\$4,679,632	\$1,692,546
	Capital	0	0	0
	Grant*	(2,822,220)	(2,767,262)	(2,814,641)
	Solid Waste Fund	0	0	2,860,007
	Total:	\$4,245,702	\$4,679,632	\$4,552,553

		1999 Experience	2000 Budget	2001 Projection
Objective 13:	Drinking Water			
Outcome Indicator:	Percent compliance with Safe Drinking Water Act standards.	100.0%	100.0%	100.0%
	Funding by Source:			
	Operating	\$2,399,392	\$3,288,248	\$2,104,581
	Capital	14,387,336	12,120,000	14,275,000
	Water Works	66,597,069	57,634,526	58,985,439
	Total:	\$83,383,797	\$73,042,774	\$75,365,020
Objective 14:	City Cleanliness			
Outcome Indicator:	Maintain the overall cleanliness of the city as measured by the Photometric Index.	6.20	6.00	6.00
	Funding by Source:			
	Operating	\$31,758,431	\$34,415,112	\$8,889,613
	Capital	1,266,168	70,000	1,687,000
	Solid Waste Fund	0	0	28,506,975
	Total:	\$33,024,599	\$34,485,112	\$39,083,588
Objective 15:	Sewer System Services			
Outcome Indicator:	Sewer service backups.	50	45-55	45-55
	Street flooding incidents.	3,889	6,000	6,000
	Funding by Source:			
	Operating	\$1,735,823	\$1,477,640	\$1,817,523
	Capital	22,769,013	21,070,000	20,850,000
	Grant*	(663,500)	(674,920)	(1,090,100)
	Sewer Maintenance Fund	8,895,942	15,915,620	18,085,434
	Total:	\$33,400,778	\$38,463,260	\$40,752,957
Objective 17:	Building Services			
Outcome Indicator:	Percentage of city buildings with condition assessments.	60.0%	75.0%	75.0%
	Funding by Source:			
	Operating	\$11,500,937	\$10,382,416	\$11,062,924
	Capital	4,770,697	4,010,000	6,470,000
	Total:	\$16,271,634	\$14,392,416	\$17,532,924

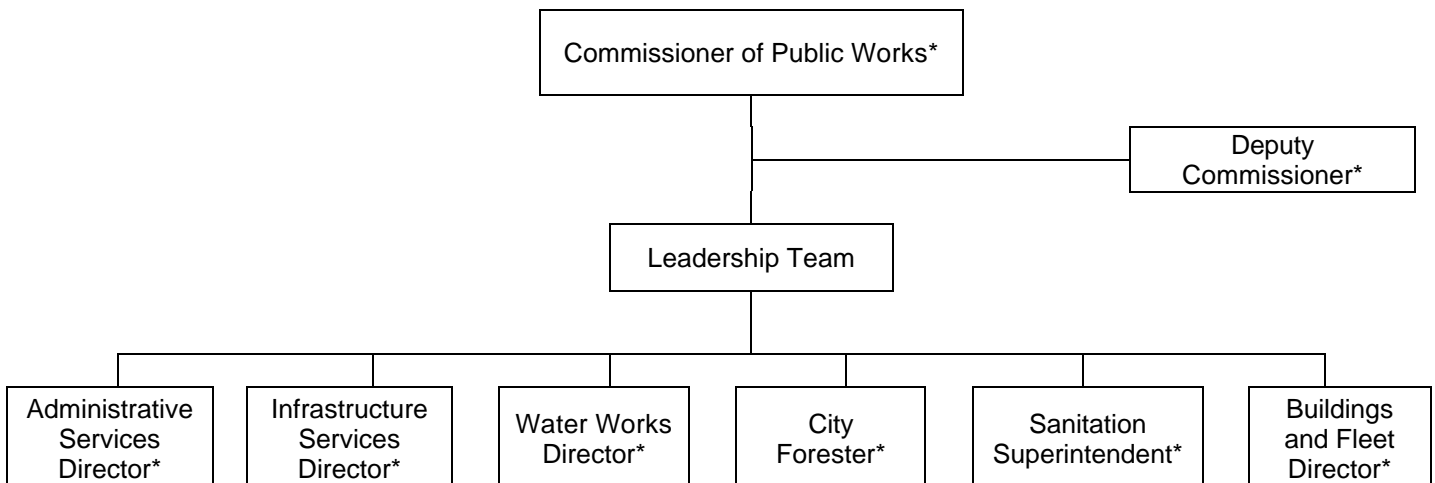
		1999 Experience	2000 Budget	2001 Projection
Objective 18:	Communication Services			
Outcome Indicator:	Percentage of customers satisfied with communication services.			
		NA	90.0%	90.0%
	Funding by Source:			
	Operating	\$681,499	\$904,119	\$598,102
	Capital	898,164	950,000	950,000
	Total:	\$1,579,663	\$1,854,119	\$1,548,102
Objective 19:	Parking Regulation			
Outcome Indicator:	Percentage change in net operating revenue.			
		16.7%	3.0%	29.0%
	Funding by Source:			
	Operating	\$3,964,668	\$2,853,325	\$541,998
	Capital	7,597,877	0	1,750,000
	Parking Fund	12,221,557	15,401,779	25,096,117
	Total:	\$23,784,102	\$18,255,104	\$27,388,115

* State and federal grants for infrastructure projects are not reflected in objective totals because the city does not control the expenditure of these funds.

Note: Objective funding does not include Parking capital improvements funded from the Permanent Reserve Fund.

Objectives reflecting Enterprise fund expenditures are overstated due to duplication of appropriations in operating divisions.

ORGANIZATION CHART



* Positions included in Department of Public Works Leadership Team.

OPERATING BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	1,302.97	1,294.64	902.92	-391.72
FTEs - Other	373.22	444.30	410.70	-33.60
Total Positions Authorized	3,526	3,454	2,349	-1,105
DLH - Operations and Maintenance	2,368,840	2,342,295	1,619,065	-723,230
DLH - Other Funds	671,994	800,489	800,662	173
EXPENDITURES				
Salaries and Wages	\$52,892,853	\$50,348,307	\$35,807,511	\$-14,540,796
Fringe Benefits	16,061,797	16,111,459	11,816,480	-4,294,979
Operating Expenditures	33,941,998	29,478,181	18,161,943	-11,316,238
Equipment	4,965,285	5,151,166	3,822,365	-1,328,801
Special Funds	<u>705</u>	<u>1,500</u>	<u>1,500</u>	<u>0</u>
TOTAL	\$107,862,638	\$101,090,613	\$69,609,799	\$-31,480,814
REVENUES				
Charges for Services	\$7,915,002	\$7,414,500	\$7,092,824	\$-321,676
Licenses and Permits	1,053,958	698,000	1,003,700	305,700
Miscellaneous	<u>431,045</u>	<u>379,300</u>	<u>223,000</u>	<u>-156,300</u>
TOTAL	\$9,400,005	\$8,491,800	\$8,319,524	\$-172,276

CAPITAL PROJECTS - Includes \$42,532,533 for capital projects in the 2001 capital budget.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL*				
FTEs - Operations and Maintenance	1,839.48	1,875.42	1,903.13	27.71
FTEs - Other	420.76	505.36	493.03	-12.33
Total Positions Authorized	4,258	4,155	4,161	6
DLH - Operations and Maintenance	3,232,076	3,358,474	3,384,913	26,439
DLH - Other Funds	757,558	910,464	944,252	33,788
EXPENDITURES				
GENERAL CITY PURPOSES				
Administrative Services	\$8,435,018	\$7,192,245	\$4,382,776	\$-2,809,469
Buildings and Fleet Services	35,307,883	30,344,791	34,472,881	4,128,090
Forestry	9,535,467	9,742,061	9,867,589	125,528
Infrastructure Services	23,145,603	21,719,040	20,886,553	-832,487
Sanitation	31,438,667	32,092,476	0	-32,092,476
SUBTOTAL-GENERAL CITY PURPOSES	\$107,862,638	\$101,090,613	\$69,609,799	\$-31,480,814
WATER WORKS				
(Public Utility)				
Operating Budget	\$66,597,069	\$57,634,526	\$58,985,439	\$1,350,913
Deposit to Retained Earnings	0	0	0	0
Capital Improvements Program	14,387,334	12,120,000	14,275,000	2,155,000
TOTAL WATER WORKS	\$80,984,403	\$69,754,526	\$73,260,439	\$3,505,913
PARKING BUDGET				
Operating and Maintenance Budget	\$12,221,036	\$15,401,779	\$25,096,117	\$9,694,338
Capital Improvements	7,957,877	0	1,750,000	1,750,000
Addition to Parking Reserves	1,277,564	0	0	0
Transfer to the General Fund	0	0	15,041,085	15,041,085
Capital Improvements to be Financed from Permanent Improvement Reserve Fund - Parking	0	10,000,000	5,000,000	-5,000,000
TOTAL PARKING BUDGET	\$21,456,477	\$25,401,779	\$46,887,202	\$21,485,423
SOLID WASTE FUND				
Operating and Maintenance Budget	\$0	\$0	\$35,541,537	\$35,541,537
Capital Improvements	0	0	0	0
TOTAL SOLID WASTE FUND BUDGET	\$0	\$0	\$35,541,537	\$35,541,537
SEWER MAINTENANCE FUND				
Operating and Maintenance Budget	\$8,895,942	\$15,915,620	\$18,085,434	\$2,169,814
Capital Improvements	0	14,560,000	15,300,000	740,000
TOTAL SEWER FUND BUDGET	\$8,895,942	\$30,475,620	\$33,385,434	\$2,909,814
GRAND TOTAL-DEPARTMENT OF PUBLIC WORKS	\$219,199,460	\$226,722,538	\$258,684,411	\$31,961,873

* Personnel totals reflect operating divisions, Water Works, Sewer Maintenance Fund, Solid Waste Fund and Parking Fund.

DETAILED LISTING OF POSITION AND FULL TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full time equivalents (FTEs) as follows:

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
ADMINISTRATIVE SERVICES DIVISION						
2	2.00		\$60,892		Personnel Payroll Assistant II	Transfer from Infrastructure Services Division.
-1	-1.00		\$-45,923		Electrical Drafting Technician] Reclassify position. Needed to coordinate and manage the city time-entry system.
1	1.00		\$51,199		Communication Facilities Coordinator	
	-0.50	0.50	\$-24,050	\$24,050	Business Operations Manager	Reflect reimbursement from Parking Fund.
	-6.35	2.35			Various Positions	Miscellaneous changes.
BUILDINGS AND FLEET DIVISION						
ADMINISTRATION SECTION						
1	1.00		\$46,917		Network Analyst Associate	Transfer of reclassified position from Design and Construction Section.
1	1.00		\$40,287		Security Manager] Transfer from Facilities Management Section.
5	5.00		\$150,832		Communications Assistant III	
1	1.00		\$29,049		Security Guard	
-1	-1.00		\$-48,305		Automotive Stores Supervisor	
-1	-1.00		\$-42,515		Inventory Control Coordinator] Transfer to Fleet Services Section.
-10	-10.00		\$-303,228		Vehicle Parts Clerk II	
-1	-1.00		\$-32,168		Inventory Control Assistant IV	
-1	-1.00		\$-28,008		Office Assistant III	
-1	-1.00		\$-29,499		Garage Attendant	
-2	-2.00		\$-64,756		Tire Repair Worker II	
-3	-3.00		\$-92,653		Tire Repair Worker I	
-1	-1.00		\$-37,570		Tire Repair Specialist	
-1	0.00		\$0		Tire Repair Worker I (Aux.)	
-1	-1.00		\$-30,529		Stores Clerk III] Transfer to Facilities Management Section.
-1	-1.00		\$-28,480		Stores Clerk II	
-1	-1.00		\$-28,480		Clerk II (Field)	
-1	-1.00		\$-31,259		Inventory Control Assistant IV	
-1	-1.00		\$-29,811		Electrical Parts Clerk II] Transfer from Facilities Repair Section.
2	0.00		\$0		Communications Assistant II (Aux.)	
3	0.00		\$0		Communications Assistant IV (Aux.)	
2	0.00		\$0		Communications Assistant III (Aux.)	Additional positions needed to back up switchboards.
FLEET SERVICES SECTION						
1	1.00		\$50,611		Automotive Stores Supervisor] Transfer from Administration Section.
1	1.00		\$44,545		Inventory Control Coordinator	
10	10.00		\$295,461		Vehicle Parts Clerk II	

DEPARTMENT OF PUBLIC WORKS

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
1	1.00		\$32,080		Inventory Control Assistant IV	Transfer from Administration Section.
1	1.00		\$26,249		Office Assistant III	
1	1.00		\$30,036		Garage Attendant	
2	1.60	0.40	\$51,663	\$12,916	Tire Repair Worker II	
3	2.40	0.60	\$73,919	\$18,480	Tire Repair Worker I	
1	0.80	0.20	\$29,974	\$7,493	Tire Repair Specialist	
1	0.00		\$0		Tire Repair Worker I (Aux.)	
-1	-1.00		\$-26,793		Garage Attendant	Eliminate vacant position.
	-3.60	6.90			Various Positions	Miscellaneous adjustment.
FLEET OPERATIONS SECTION						
-1	-1.00		\$-53,152		Equipment Operations Manager	Position reclassification.
1	1.00		\$60,743		Operations and Dispatch Manager	
	-0.50	0.50	\$-30,371	\$30,371	Operations and Dispatch Manager	Fund half of the position from the Parking Fund.
	14.80				Various Positions	Miscellaneous adjustment.
DESIGN/CONSTRUCTION SECTION						
-1	-0.10	-0.90	\$-5,119	\$-46,068	Architectural Designer II	Eliminate vacant position.
-1	-1.00		\$-42,370		Engineering Drafting Technician IV	Reclassify and transfer to Administration Section.
-1	-0.10	-0.90	\$-4,470	\$-40,231	Engineering Technician IV	Position reclassification.
1	0.10	0.90	\$4,802	\$43,217	Engineering Technician V	
1	0.10	0.90	\$3,898	\$35,081	Engineering Technician IV (Aux.)	Positions reclassified to meet increased workload.
1	0.10	0.90	\$3,623	\$32,607	Bridges and Public Buildings Inspector	
-1	-0.20	-1.80	\$-7,276	\$-65,484	Bridges and Public Buildings Inspector (Aux.)	
	3.62	-3.62			Various Positions	Adjustment in capital deduction.
	-0.20	0.70			Various Positions	Miscellaneous adjustment.
FACILITIES MANAGEMENT SECTION						
-1	-1.00		\$-76,082		Facilities Services Manager	Position eliminated.
1	1.00		\$92,907		Facilities Manager	Reclassified position transferred from Facilities Repair.
-1	-1.00		\$-32,874		Equipment Mechanic III	Position reclassification.
1	1.00		\$34,237		Equipment Mechanic IV	
-1	-1.00		\$-36,219		Security Manager	Transfer to Administration Section.
-5	-5.00		\$-150,691		Communications Assistant IV	
-1	-1.00		\$-29,129		Security Guard	
-2					Communications Assistant II (Aux.)	
-3					Communications Assistant IV (Aux.)	

DEPARTMENT OF PUBLIC WORKS

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
-1	-1.00		\$-46,022		Custodial Services Manager	Position reclassification.
1	1.00		\$52,451		Buildings Services Manager	
-3	-3.00		\$-118,445		Custodial Supervisor II	
3	3.00		\$126,391		Building Services Supervisor	
-1	-1.00		\$-52,684		Management Facilities Engineer	
1	1.00		\$58,104		Operations and Maintenance Manager	Position created to coordinate various projects.
1	1.00		\$46,235		Facilities Maintenance Coordinator	
1	1.00		\$32,874		Equipment Mechanic IV	
1	1.00		\$52,550		Facilities Construction Project Coordinator	
1	1.00		\$34,041		Engineering Drafting Technician IV	
2	1.00	1.00	\$74,217	\$74,217	Electrical Services Supervisor II	Transfer from Facilities Repair Section.
30	15.00	15.00	\$682,344	\$682,344	Electrical Mechanic	
3	1.50	1.50	\$52,104	\$52,104	Electrical Worker	
2	1.00	1.00	\$30,036	\$30,036	Laborer/Electrical Services	
1	1.00		\$30,446		Accounting Assistant II	
1	0.50	0.50	\$22,849	\$22,849	Carpenter Supervisor	
16	8.00	8.00	\$336,960	\$336,960	Carpenter	
1	0.50	0.50	\$21,487	\$21,487	Painter Supervisor, House	
1	0.50	0.50	\$19,895	\$19,895	Painter Leadworker, House	
10	5.00	5.00	\$196,976	\$196,976	Painter	
4	2.00	2.00	\$97,677	\$97,677	Bricklayer, Buildings	
1	0.50	0.50	\$19,583	\$19,583	Cement Finisher	
2	1.00	1.00	\$29,456	\$29,456	Mason Helper	
2	2.00		\$62,315		Bridge Laborer II	
2	2.00		\$61,599		Bridge Laborer I	
1	1.00		\$32,289		Bridge Labor Crew Leader II	
1	1.00		\$32,080		Infrastructure Stores Clerk IV	
1	1.00		\$28,402		Infrastructure Stores Clerk II	
2					Electrical Services Supervisor II (Aux.)	
5	2.00		\$75,046		Electrical Mechanic (Aux.)	
1					Equipment Mechanic I (Aux.)	
2					Carpenter Supervisor (Aux.)	
4					Carpenter (Aux.)	
2					Painter, Leadworker, House (Aux.)	
4					Painter (Aux.)	
2					Cement Finisher (Aux.)	
2					Bricklayer, Buildings (Aux.)	

DEPARTMENT OF PUBLIC WORKS

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
2					Mason Helper (Aux.)	Transfer from Facilities Repair Section.
2	1.00		\$30,800		Bridge Laborer II (Aux.)	
2					Bridge Laborer I (Aux.)	
2	0.50		\$15,018		Laborer/Electrical Services (Aux.)	
1	1.00		\$30,036		Laborer Electrical Services	Transferred from Administration Section.
1	1.00		\$30,446		Stores Clerk III	
1	1.00		\$28,402		Stores Clerk I	
1	1.00		\$28,402		Clerk II (Field)	
1	1.00		\$32,080		Inventory Control Assistant IV	
1	1.00		\$29,729		Electrical Parts Clerk II	Eliminate vacant position.
-2	-2.00		\$-53,060		Custodial Worker II/City Laborer	
	-5.30	1.30			Various Positions	Miscellaneous adjustment.
FACILITIES REPAIR SECTION						
-1	-1.00		\$-85,775		Facilities Services Manager	Position reclassified to Facilities Manager and transferred to Facilities Management Section.
-1	-1.00		\$-32,965		Maintenance Mechanic	Reclassified as Equipment Mechanic IV and transferred to Facilities Management Section.
-1	-1.00		\$-48,509		Bridges Public Buildings Coordinator	Reclassified as Facilities Construction Project Coord and transferred to Facilities Mgmt Section.
-1	-1.00		\$-31,264		Engineering Technician II	Reclassified as Engineering Drafting Technician IV and transferred to Facilities Management Section.
-2	-1.00	-1.00	\$-70,835	\$-70,835	Electrical Services Supervisor II	Transfer to Facilities Management Section.
-30	-15.00	-15.00	\$-648,866	\$-648,866	Electrical Mechanic	
-3	-1.50	-1.50	\$-48,128	\$-48,128	Electrical Worker	
-2	-1.00	-1.00	\$-30,118	\$-30,118	Laborer/Electrical Services	
-1	-1.00		\$-29,932		Accounting Assistant II	
-1	-0.50	-0.50	\$-25,123	\$-25,123	Carpenter Supervisor	
-16	-8.00	-8.00	\$-338,783	\$-338,783	Carpenter	
-1	-0.50	-0.50	\$-21,546	\$-21,546	Painter Supervisor, House	
-1	-0.50	-0.50	\$-19,950	\$-19,950	Painter Leadworker, House	
-10	-5.00	-5.00	\$-197,682	\$-197,682	Painter	
-4	-2.00	-2.00	\$-97,945	\$-97,945	Bricklayer, Buildings	
-1	-0.50	-0.50	\$-19,637	\$-19,637	Cement Finisher	
-2	-1.00	-1.00	\$-29,649	\$-29,649	Mason Helper	
-2	-2.00		\$-60,130		Bridge Laborer II	
-2	-2.00		\$-61,768		Bridge Laborer I	
-1	-1.00		\$-32,378		Bridge Labor Crew Leader II	
-1	-1.00		\$-32,168		Infrastructure Stores Clerk IV	
-1	-1.00		\$-29,439		Infrastructure Stores Clerk II	
-2					Electrical Services Supervisor II (Aux.)	

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
-5	-2.00		\$-89,853		Electrical Mechanic (Aux.)	Transfer to Facilities Management Section.
-1					Mechanic Helper (Aux.)	
-2					Carpenter Supervisor (Aux.)	
-4					Carpenter (Aux.)	
-2					Painter, Leadworker, House (Aux.)	
-4					Painter (Aux.)	
-2					Cement Finisher (Aux.)	
-2					Bricklayer, Buildings (Aux.)	
-2					Mason Helper (Aux.)	
-2					Bridge Laborer II (Aux.)	
-2					Bridge Laborer I (Aux.)	
-3	-1.00		\$-30,018		Laborer/Electrical Services (Aux.)	
	7.70	-8.70			Various Positions	Miscellaneous adjustment.
FORESTRY DIVISION						
2	2.00		\$28,325		Urban Forestry Specialist	Restore weekly mowing of city boulevards.
3	1.50		\$28,325		Urban Forestry Laborer (Seasonal)	
INFRASTRUCTURE SERVICES DIVISION						
ADMINISTRATION DECISION UNIT						
1	1.00		\$52,596		Management Accounting Officer	Create position to perform administrative functions.
-2	-2.00		\$-58,778		Personnel Payroll Assistant I	Transfer to the Administrative Services Division.
	1.00		\$26,867		Office Assistant III	Fill previously unfunded position.
-1					Office Assistant II	Eliminate vacant unfunded position.
	-0.43	-0.80			Various Positions	Miscellaneous adjustments.
TRANSPORTATION DECISION UNIT						
-1	-1.00		\$-66,617		Management Civil Engineer - Senior	Restructure staffing to achieve operating efficiencies.
1	1.00		\$59,729		Civil Engineer IV	
2	2.00		\$115,014		Civil Engineer III	
-1	-1.00		\$-56,994		Management Engineer Technician	
-1	-1.00		\$-57,507		Civil Engineer III - (Aux.)	
-1	-1.00		\$-27,931		Office Assistant III	Position reclassification.
1	1.00		\$28,831		Office Assistant IV	

DEPARTMENT OF PUBLIC WORKS

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
-1	-1.00		\$-85,540		Management Civil Engineer - Senior (A)	Position reclassification.
1	1.00		\$61,594		Management Civil Engineer - Senior	
	-1.00		\$-50,173		Traffic Control Engineer II - (Aux.)	Eliminate funding for one auxiliary.
-1					Engineering Drafting Technician IV	Eliminate vacant unfunded positions.
-1					Engineering Drafting Technician V	
	-0.95	-6.03			Various Positions	Miscellaneous adjustments.
CONSTRUCTION DECISION UNIT						
-1	-1.00		\$-48,252		Engineering Technician V	Create position to take over duties of eliminated positions.
1	1.00		\$48,252		Civil Engineer III	
	-1.00		\$-80,069		Management Civil Engineer - Senior	
	-1.59	2.88			Various Positions	Miscellaneous adjustments.
FIELD OPERATIONS - STREETS/ BRIDGES OPERATIONS DECISION UNIT						
-1	-1.00		\$-73,601		Street and Bridges Services Manager (Y)	Position reclassification.
1	1.00		\$84,525		Street and Bridges Services Manager	
-1	-1.00		\$-70,835		Street Repair District Manager - Senior	
1	1.00		\$62,112		Street Repair District Manager	
-1	-1.00		\$-41,453		Bridge Operator Supervisor	
1	1.00		\$43,550		Bridge Operator Supervisor	Reduce seasonal positions because of remote operation of bridges.
-2	-1.40		\$-40,754		Bridge Operator	
1	1.00		\$32,378		Bridge Labor Crew Leader	Restructure bridge labor crews.
-3	-3.00		\$-92,203		Bridge Laborer II	
-2	-2.00		\$-29,207		Bridge Laborer I	
3	3.00		\$48,373		City Laborer	Eliminate vacant position.
-1	-1.00		\$-39,041		Ironworker	
	-0.50		\$-22,153		Painter Supervisor, Ironwork	Reduce salary in anticipation of retirement.
-1	-1.00		\$-41,226		Bridge/Iron Painter Lead Worker	Position reclassification.
1	1.00		\$41,339		Painter Leadworker, Bridge and Iron	
-6	-6.00		\$-245,107		Bridge and Iron Painter	
6	6.00		\$245,778		Painter, Bridge Iron	
-1					Bridge Operator Supervisor - (Aux.)	
1					Bridge Operator Supervisor - (Aux.)	
1	1.00		\$29,536		Administrative Assistant II	
-1	-1.00		\$-26,125		Office Assistant II	Transfer to the Sewer Maintenance Fund.
-1	-1.00		\$-58,494		Inspection and Records Manager	
	0.52	4.27			Various Positions	Miscellaneous adjustments.

DEPARTMENT OF PUBLIC WORKS

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason	
FIELD OPERATIONS - ELECTRICAL SERVICES DECISION UNIT							
-1	-1.00		\$-30,884		Traffic Sign Worker I	Eliminate vacant position.	
-4	-4.00		\$-112,040		Laborer, Electrical Services - (Aux.)	Reduce seasonal positions.	
	12.64	1.10			Various Positions	Miscellaneous adjustments.	
FIELD OPERATIONS - SUPPORT SERVICES DECISION UNIT							
-1	-1.00		\$-43,123		Electrical Services Machinist I	Eliminate vacant position.	
	-4.40	-0.25			Various Positions	Miscellaneous adjustments.	
-15							
SANITATION DIVISION							
ADMINISTRATION							
-1	-1.00		\$-108,836		Sanitation Services Supervisor	Positions transferred to Solid Waste Fund.	
-1	-1.00		\$-87,395		Operations Manager		
-1	-1.00		\$-95,804		Administration and Projects Manager		
-1	-1.00		\$-79,120		Resource Recovery Manager		
-1	-1.00		\$-32,741		Program Assistant II		
-2	-2.00		\$-67,932		Communications Assistant IV		
-1	-1.00		\$-32,035		Administrative Assistant I		
-1	-1.00		\$-23,697		Office Assistant II		
-1	-0.50		\$-11,482		Graduate Intern		
FIELD OPERATIONS							
-3	-3.00		\$-208,342		Sanitation Area Manager		
-6	-6.00		\$-365,876		Sanitation District Manager		
-1	-1.00		\$-54,081		Sanitation Shop Supervisor		
-30	-30.00		\$-1,500,888		Sanitation Supervisor		
-6	-6.00		\$-197,487		Field Headquarters Coordinator		
-108	-108.00		\$-3,463,387		Sanitation Worker		
-5	-5.00		\$-157,689		Utility Crew Worker		
-4	-4.00		\$-128,273		Cart Maintenance Technician		
-1	-1.00		\$-57,503		Sanitation Survey Coordinator		
-131	-97.00	-34.00	\$-3,691,350	\$-1,293,875	Driver Loader		
-2	-2.00		\$-64,137		Sanitation Worker		
-1	-1.00		\$-30,208		Sanitation Crew Leader		
-1	-1.00		\$-27,723		Sanitation Shop Clerk		
	1.00	-1.00			Driver Loader	Change of position from non-operating to operating.	

Positions	O&M FTEs	Non O&M FTEs	Oper. Funding	Non-Oper. Funding	Position Title	Reason
AUXILIARY POSITIONS						
-5					Sanitation Supervisor	Positions transferred to Solid Waste Fund.
-48					Sanitation Worker	
-500					Emergency City Laborer	
-1					Sanitation District Manager	
-36					Sanitation Crew Leader (Snow)	
-148					Driver/Loader - Relief	
-19					Sanitation Worker - Relief	
-1					Field Headquarters Coordinator	
-28					Sanitation Supervisor (Winter Relief)	
-1					Sanitation Area Manager	
	-112.32		\$-2,731,453		Auxiliary Positions	Reductions from operational efficiencies.
	-10.75				Various Auxiliary Positions	
	-0.41				Overtime Reduction	
-1,120	-391.72	-33.60	\$-13,705,629	\$-1,206,120	TOTAL	

DEPARTMENT OF PUBLIC WORKS

ADMINISTRATIVE SERVICES DIVISION

EXECUTIVE SUMMARY

STRATEGIC ISSUES: Provide administrative support, guidance, and direction for all of the department's strategic issues. These strategic issues are specified in the Department of Public Works (DPW) summary.

INITIATIVES FOR 2001: Continue to improve services of the Call Center through technology enhancements and improvements.

Continued implementation of enhancements to the citywide time entry system.

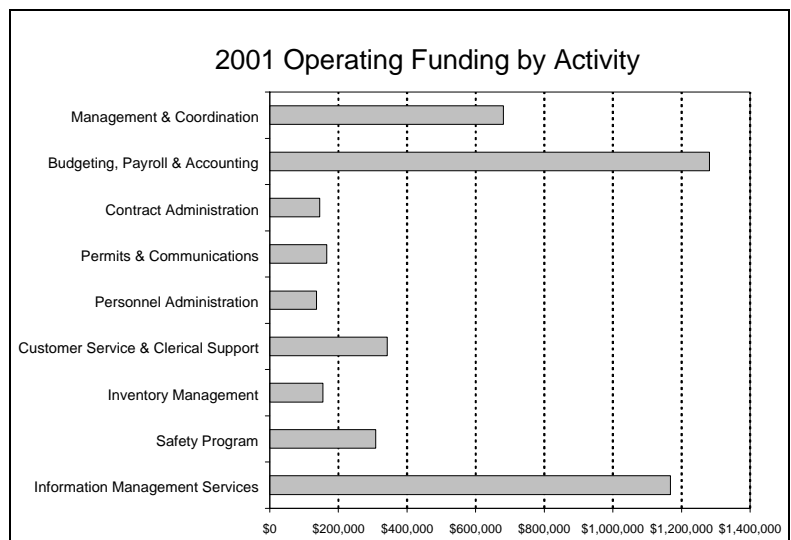
Transfer of all duties related to citation processing to the DPW – Parking Fund.

BACKGROUND

The Administrative Services Division was created as a part of the 1996 Department of Public Works reorganization and consists primarily of components of the former Administration Division. During 1996, the Department of Public Works began the process of consolidating administrative functions within the Administrative Services Division. This process was continued in 1997 as all levels of DPW Administrative staff worked to complete an implementation plan for the reorganization of administrative activities.

The consolidation of administrative activities within the Administrative Services Division was approved by the Common Council and Mayor in the 1998 budget. These activities include budget preparation and control, accounting, payroll, human resources, purchasing and inventory, information systems and establishment of a citizen call center. This consolidation allowed the department to reduce administrative staffing levels by 20 positions.

Figure 1



The Administrative Services Division's 2001 budget includes operating funds totaling \$4.4 million. Most of the division's activities serve to support the efforts of other Public Works divisions to achieve their objectives. Therefore, costs of the Administrative Services Division's activities are distributed across all DPW objectives. Figure 1 provides a breakdown of funding by the division's activities.

PROGRAMS AND ACTIVITIES

- Administrative management and coordination
- Planning, budgeting, payroll, and accounting
- Contract administration
- Public information and special event permits
- Personnel administration
- Customer service through the Call Center

- Inventory management
- Safety program
- Technology support services
- Parking Fund administration and management

PROGRAM CHANGES

Citation Processing/Cash Management Contract: In 2001, all duties and functions related to the management and processing of the citation processing/cash management will be transferred to the Parking Fund. See the *DPW - Parking Fund* section for more information.

Management of the City Time Entry System: In 2001, the Administrative Services Division will focus on continued enhancements, improvements, and maintenance of the time entry system. This includes the effort to bring the remaining city departments, such as the Fire Department, on-line for the purpose of utilizing the time entry system.

Police Communications Facility: Continuing through 2001, the Technology Support Services Section of the Administrative Services Division will provide telecommunication design assistance and wide-area network support to the Police Department. The telecommunication design assistance will support the completion of the new Third District Police Station Communications Facility. A critical component of the project is the completion of the Community Safety wide-area network (Cswan) which will support police requirements for voice, radio, video, and data over multiple high-speed communication links. The Cswan will also support similar needs of the Fire Department and other city agencies.

Call Center: In 1999, the Call Center logged 99,500 service requests. In 2000, the number of service requests projected through year-end is 140,000. Of these service requests, 56% are dispatched to field locations for resolution and 25% are resolved immediately upon receipt by the Call Center staff. This eliminates the need to forward requests to the divisions and allows the divisions to more efficiently respond to the forwarded requests.

In 2001, the data system used to log service requests will be enhanced. The Technology Support Services Section and the Call Center staff will collaborate to further automate the system to a centralized, web-based system. This will allow the Call Center staff to enter the service request data and send the request

electronically to the responsible division. Division staff will be responsible for fulfilling the service request and entering information regarding the resolution of the request. This enhancement will allow access to data by both operations and management staff on a daily basis and also provide immediate information on the number, type and location of all service requests and response times. In addition, it is envisioned that the City Hall operator will utilize the same database and process service requests similarly.

New City Telephone System: Planning will continue for the replacement of the city's fifteen year old Rolm telephone switch which serves 4,000 phones, faxes, modems and other devices. Staff is exploring a new telephone system that will provide a variety of new features and be more energy efficient.

Other Application Development: In 2001, the Technology Support Services Section will continue developing an Invoice/Accounts Receivable application, similar in design to the Time Entry System, that will allow the entering, modification and retrieval of invoices and accounts receivable and related payments. In addition, a web-based program for entering special event permits and accessing pending special assessments for city functions such as board-ups, tree trimming, weed and snow removal is under development. Additional uses for this application will be explored further during 2001.

In 2000, the Technology Support Services Section completed an electronic telephone directory, a web-based parking complaint system and a web-based overnight parking application.

Computer Replacement: The 2001 budget includes \$51,250 for replacement of 25 computers. Department of Public Works employees rely on more than 600 personal computers in order to efficiently provide services to the public. Funding to replace broken or obsolete equipment is critical to the continued operation of DPW's computer network.

Other Position Changes: The 2001 budget also includes the reclassification of one Electrical Drafting Technician to a Communication Facilities Coordinator, and the transfer of two Personnel Payroll Assistant II positions from the DPW Infrastructure Services Division. In addition, half of the salary of one Business Operations Manager is reimbursed from the Parking Fund.

CAPITAL IMPROVEMENTS

Public Safety Communications: In the 2000 budget, communication services for city departments and agencies were consolidated in the Administrative Services Division. As a result of centralizing these functions in the Administrative Services Division, the Communication and Control Capital Account that had been a part of the DPW - Buildings and Fleet Division has been transferred to the Administrative Services Division and re-named the Public Safety Communications Program. The 2001 capital budget includes \$500,000 for the continuation of an existing program, which began in 1987, to interconnect the majority of the city's 200 buildings into a Wide Area Network (WAN) for telephone and data communications. It also provides video security and telemeter-

ing systems. The ultimate result will interconnect all city communications facilities.

Environmental Projects Fund: The Administrative Services Division is also responsible for the Environmental Projects Fund capital program. This program provides funds for helping cap or cover landfills that have not yet been closed as directed by the State of Wisconsin Department of Natural Resources. DPW is currently working on closing additional landfills, and as opportunities arise to close these sites at minimal expense, the Environmental Projects Fund supports these activities. The 2001 budget provides \$100,000 for the Environmental Projects Fund.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	58.73	63.75	58.90	-4.85
FTEs - Other	1.71	6.25	9.10	2.85
Total Positions Authorized	66	71	73	2
DLH - Operations and Maintenance	103,950	108,200	106,020	-2,180
DLH - Other Funds	3,078	12,950	12,848	-102
EXPENDITURES				
Salaries and Wages	\$2,785,332	\$2,615,751	\$2,657,815	\$42,064
Fringe Benefits	865,012	837,040	877,079	40,039
Operating Expenditures	4,783,969	3,687,954	795,132	-2,892,822
Equipment	0	50,000	51,250	1,250
Special Funds	705	1,500	1,500	0
TOTAL	\$8,435,018	\$7,192,245	\$4,382,776	\$-2,809,469
REVENUES				
Charges for Services	\$593,736	\$365,000	\$536,800	\$171,800
Licenses and Permits	1,053,958	698,000	1,003,700	305,700
Miscellaneous	0	0	0	0
TOTAL	\$1,647,694	\$1,063,000	\$1,540,500	\$477,500

CAPITAL PROJECTS - Includes \$600,000 for the following projects:

a. Public Safety Communications	\$500,000
b. Environmental Projects Fund	\$100,000

DEPARTMENT OF PUBLIC WORKS

BUILDINGS AND FLEET DIVISION

EXECUTIVE SUMMARY

STRATEGIC ISSUES:	Continuously improve services and reduce costs of providing fleet and building services to city departments and agencies.
	Evaluate service demand, delivery, and costs to identify those services that should be maintained and those that might be provided more economically through other options.
	Improve the condition of city-owned buildings and facilities
INITIATIVES FOR 2001:	Update vehicle replacement cycles and develop a systematic replacement schedule.
	Implement a new ADA Compliance Program for all city buildings.
	Maintain Underground Storage Tank and DNR Storm Water Management Programs.
	Consolidate facilities repairs and buildings operations and maintenance by creating a Facilities Management Section to provide seamless and cost-effective service.
	Implement staffing study recommendations for the allocation of custodial workload.
	Establish the correct accounting for facilities and equipment repair costs.

BACKGROUND

As part of the 1996 reorganization of the Department of Public Works (DPW), sections of Municipal Equipment, the Bridges and Buildings Division, and the Traffic Engineering and Electrical Services Division combined to form what is now known as the Buildings and Fleet Division. A large portion of the division's activity centers around the Fleet Services and Operations Sections, which were formerly part of Municipal Equipment – a division created by the Common Council in 1923 that began operations in 1924.

In total the Buildings and Fleet Division (BFD) operates and maintains DPW's centralized fleet of over 2,700 motor vehicles and related equipment. The division provides this equipment to other DPW divisions (excluding the Water Works and Sewer Maintenance Fund) free of charge. It also rents vehicles and equipment on a permanent or temporary basis to other city departments. In addition, the division maintains vehicles owned by the Library, Health Department, Police, and Water Works.

The Buildings and Fleet Division also provides building services, a responsibility formerly located in what was the Bridges and Buildings Division of the Department of Public Works. The Buildings and Fleet Division oversees maintenance of all city facilities excluding those of the Port of Milwaukee and the Milwaukee Public Library. Consequently, BFD oversees 160 of the city's 220 buildings.

As part of its facilities management, the division operates an around the clock information center located in City Hall. It also provides physical security and access control at the downtown complex and other key facilities and supports its activities using security guards and closed circuit television.

Approximately \$34.5 million in operating funds are included in the 2001 budget for the Buildings and Fleet Division. In addition, the division's 2001 budget reflects capital funding of \$6.6 million.

ACTIVITIES

Many activities of BFD support other DPW divisions in achieving their objectives. As a result, approximately \$23.7 million in funding for the activities of the Administration, Fleet Services, and Operations Sections of the division is distributed across all DPW objectives. As shown in Figure 1 BFD's activities include:

- Acquiring heavy and light duty vehicles and equipment
- Repair and maintenance of the city's fleet
- Providing equipment and operations to DPW divisions and city agencies

PROGRAM CHANGES

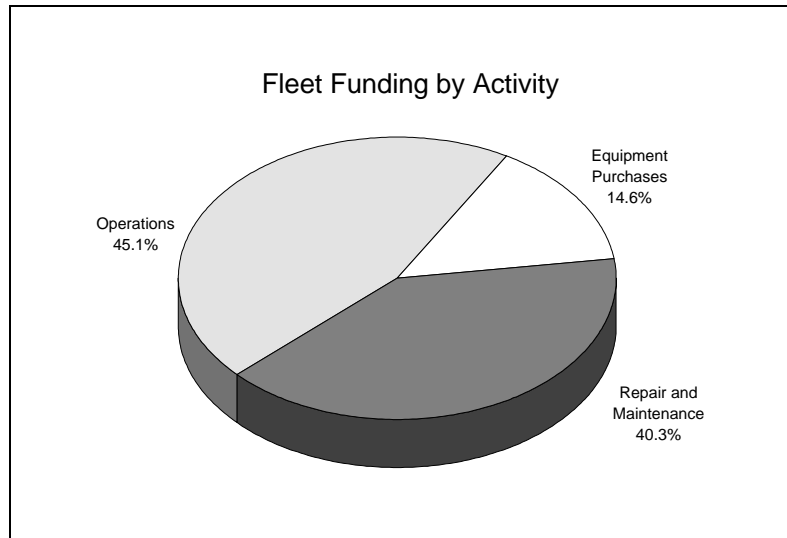
Replacement Equipment: The 2001 budget focuses replacement funding on DPW's core services, including garbage collection and snow and ice control, as well as purchase of cars, pick-up trucks, and dump trucks for use as pool equipment. BFD will be updating equipment replacement guidelines so as to develop more comprehensive replacement schedules for all types of equipment. This will assist the city in making strategic increases in equipment replacement in a manner that maintains the quality of the fleet while minimizing the maintenance and repair costs needed to support the fleet.

Increase in Fuel Expenditures: The 2001 budget includes a \$697,300 increase for energy costs, primarily for fuel. This is the result of increasing rates for gas, electricity, steam and natural gas. A significant component is unleaded and diesel gasoline, which experienced a 38.2% increase in average cost per gallon between April, 1999 and July, 2000. At the end of July 2000, 27,062 fewer gallons of gas were dispensed, compared to July, 1999.

Division Reorganizations: The 2001 budget reflects the reorganization of several components of BFD's operations. These changes do not change how operations are performed, but merely show management and reporting relationships in a more accurate manner. Included in these reorganizations are the following changes:

- Transfer communication and security positions from Facilities Management to Administration;
- Transfer Tire Shop and Fleet Store Rooms from Administration to Fleet Services;

Figure 1



- Transfer Bridge Shop and Stores Unit from Administration to Facilities Management; and
- Combine the former Facilities Repair Section with the Facilities Management Section.

Included in these reorganizations are the elimination of the Facilities Service Manager position and the creation of the Facilities Maintenance Coordinator position, as well as creation of two unfunded auxiliary Communications Assistant III positions.

Change in Buildings and Fleet Positions: The 2001 budget reflects the reclassification of several positions and elimination of four vacant positions identified by a staffing analysis conducted by Buildings and Fleet. The Equipment Operations Manager position is replaced by the Operations and Dispatch Manager, the Management Facilities Engineer is replaced by the Operation and Maintenance Manager, a Bridges and Public Buildings Inspector is made a full-time position, and an Engineering Drafting Technician IV is changed to a Network Analyst Associate. One vacant Architectural Designer II position, one vacant Garage Attendant position, and two vacant Custodial Worker II positions have been eliminated for 2001. Eliminating these positions results in a \$131,040 reduction to salary and a \$43,244 reduction to fringe benefits in 2001.

Increase in Reimbursable Services Deduction for Operations and Dispatch: The reimbursable services deduction in Buildings and Fleet Operations Section is increased by \$30,372 in 2001 to reflect 50% of salary and fringe benefits for dispatch services provided to the Parking Fund.

Increased City Facilities and Equipment Repair and Maintenance: The 2001 budget includes a \$3.6 million increase in funding for facility and equipment repair and maintenance, including tools and machinery parts (\$1.9 million), property services (\$1.1 million), and vehicle repair services (\$300,000). This in-

crease reflects a correction to how these expenses were accounted for in the past. Rather than expensing these costs through unrecoverable reimbursable accounts, the appropriation authority will be provided through the division's operating budget.

DPW OBJECTIVE 17

Provide quality support facilities by assessing the condition of city-owned buildings and by satisfying 90% of customers with building maintenance services.

OUTCOME HISTORY (see page 171)

The Department of Public Works' 2001 budget includes approximately \$17.5 million in funding to provide quality support facilities. Approximately \$10.8 million in the Buildings and Fleet Division's budget, \$237,048 in the Administrative Services Division budget, and approximately \$6.5 million in the capital budget is used to meet this objective.

BFD's building maintenance activities focus on providing quality support for facilities used by city agencies (all facilities excluding those of the Port and Library) with the exception of playlots. BFD maintains HVAC systems, provides custodial services, and oversees architectural design work for 160 city buildings. The division is also responsible for a wide variety of building repairs that range from window to roof replacements.

BFD works to achieve the objective of providing quality support facilities through performing condition assessments on city buildings. Condition assessments involve a physical inspection of buildings by BFD staff. The information gathered through the assessment allows the division to plan for the maintenance and repair of the facility.

By 1996, BFD had completed condition assessments for the city facilities for which BFD is responsible. DPW will continue to assess the condition of city fa-

cilities as part of its routine maintenance activities and use the information to update its Facilities Condition Index (FCI).

The FCI is a computerized index that BFD uses to evaluate building conditions and prioritize maintenance needs. The FCI is a relative index, based upon a facility's current repair cost and the costs to replace the facility in like materials and design at current labor and material costs. Index values directly identify those facilities most in need of immediate repair.

ACTIVITIES

- Architectural and mechanical design and construction management
- Communication and data cable installation and repair services
- Custodial, electrical, heating, and ventilation services
- Masonry, carpentry, painting, and concrete work
- Inspection, maintenance, and repair of recreational facilities
- Energy management
- Management of various Department of Public Works contracts for services, including recycling, cafeteria and vending, and security guard services

PROGRAM CHANGES

Reduction in Capital Improvements Deductions: The capital improvements deduction for salaries and wages is reduced by \$284,069 to more accurately reflect capital improvement activity in 2001.

CAPITAL IMPROVEMENTS

Funding totaling \$6.6 million is included in the 2001 budget for BFD's capital programs. The Communications and Control Program is transferred from BFD

to DPW-Administration. A new Americans with Disabilities Act (ADA) compliance capital program is created to centralize ADA activities.

Environmental Remediation Program: This program helps to provide a safe environment for the public and city employees in city-owned buildings through removal of hazardous building materials. The project areas consist of:

- Asbestos abatement
- Lead abatement
- Soil and groundwater remediation

Funding of \$390,000 is included in the 2001 capital budget for this program.

City Hall Restoration Program: In the 2001 capital budget, \$2.5 million is allocated for this program. The program is to maintain the exterior of City Hall in a watertight and energy-efficient condition. Funding will be used for repair, tuckpoint, and seal masonry, window painting, and replacement of thermo windowpanes.

ADA Compliance Program: The 2001 budget includes capital funding of \$425,000 for this new program which improves access to offices, restrooms, telephones and drinking fountains at the downtown complex and in outlying facilities. These efforts are needed to comply with federal regulations governing the Americans with Disabilities Act.

Recreational Program: The Buildings and Fleet Division maintains and improves neighborhood recreation facilities, including children's play areas and stand-alone recreation sites. In 2001, the division intends to upgrade three children's area playgrounds, one tennis court, and various playfields and totlots. In addition to the replacement of equipment due to normal wear and tear, the division will work to improve the accessibility of play areas and to insure they meet safety and ADA requirements. The 2001 budget provides \$117,000 in capital funding and \$383,000 in Community Development Block Grant funding for this program.

Facility Systems Program: The 2001 capital budget includes approximately \$1.8 million to keep the city's buildings in good operating condition. BFD has scheduled upgrade of the downtown complex mechanical systems; replacement of boilers and mechanical systems at various locations; upgrade of electrical switchgear and transformers at various locations; and expansion of the digital control and computerized facilities management system, as well as various security, fire protection, and life/safety improvements.

Downtown Complex Remodeling: This program was previously titled "Facility Interior Upgrades". This program provides funding for interior remodeling and upgrades for various city agencies (DPW and non-DPW space). Upgrades include meeting the new State Energy Code requirements for lighting, controls, and HVAC. Services provided by the division include office space planning and development of cost proposals to meet the changing needs of city agencies. This program will receive funding totaling \$750,000 in 2001.

Facility Exterior Upgrades: This program helps to maintain the exterior of city facilities in a watertight and energy efficient condition and replace yard and parking lot pavements as needed. The project includes various replacements and maintenance items, as recommended by the Facility Condition Information System. This program is funded at \$466,500 in the capital budget.

Interim Reorganizational Alterations: This program provides \$128,500 in funding for architectural and engineering services related to office space studies. Funding will be used for preparation of preliminary plans and cost estimates for remodeling projects, and for unscheduled interior office alterations for city departments.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	415.33	395.60	409.32	13.72
FTEs - Other	71.17	75.40	72.78	-2.62
Total Positions Authorized	1,207	1,179	1,178	-1
DLH - Operations and Maintenance	747,591	712,150	725,532	13,382
DLH - Other Funds	128,104	135,272	135,237	-35
EXPENDITURES				
Salaries and Wages	\$16,458,675	\$15,032,361	\$15,663,526	\$631,165
Fringe Benefits	4,987,434	4,810,355	5,168,964	358,609
Operating Expenditures	9,995,653	6,487,100	10,112,336	3,625,236
Equipment	3,866,121	4,014,975	3,528,055	-486,920
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$35,307,883	\$30,344,791	\$34,472,881	\$4,128,090
REVENUES				
Charges for Services	\$2,725,143	\$1,601,000	\$2,965,000	\$1,364,000
Miscellaneous Revenues	431,045	0	223,000	223,000
Licenses and Permits	<u>0</u>	<u>1,329,300</u>	<u>0</u>	<u>-1,329,300</u>
TOTAL	\$3,156,188	\$2,930,300	\$3,188,000	\$257,700

CAPITAL PROJECTS - Includes \$6,587,000 for the following projects:

a. Facility Systems Program	\$1,810,000
b. Facilities Exterior Upgrades Program	\$466,500
c. Recreational Facilities	\$117,000
d. Interim Reorganizational Alterations	\$128,500
e. Environmental Remediation Program	\$390,000
f. City Hall Restoration Program	\$2,500,000
g. ADA Compliance Program	\$425,000
h. Downtown Complex Remodeling	\$750,000

DEPARTMENT OF PUBLIC WORKS FORESTRY DIVISION

EXECUTIVE SUMMARY

STRATEGIC ISSUES:	Create and maintain boulevards that improve the appearance and environment of Milwaukee neighborhoods.
	Maintain a healthy urban forest.
	Improve the environment and appearance of Milwaukee by encouraging citizens to plant and maintain trees on private property.
INITIATIVES FOR 2001:	Cooperate with the Wisconsin Department of Agriculture, Trade, and Consumer Protection (WDTCP) to develop strategies to monitor current “Gypsy Moth” infestations and potential Asian Longhorned Beetle infestations within Milwaukee’s urban forest.
	Assist in development of “Greening Milwaukee’s Schools” initiatives, in cooperation with Milwaukee Public Schools and local not-for-profit organizations.
	Continue to implement improvements in boulevard and tree maintenance programs.

BACKGROUND

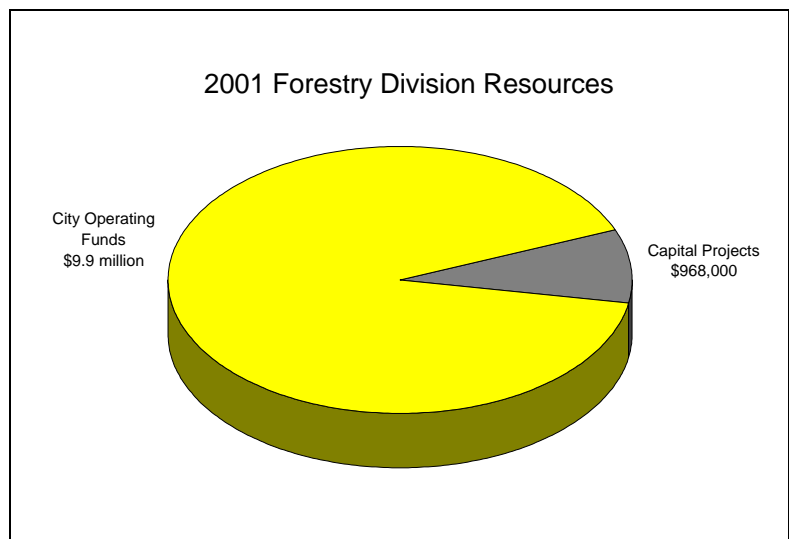
Created by the state legislature in 1917, the Forestry Division is primarily responsible for tree and landscape management. Milwaukee’s Urban Forestry Program has been recognized as being a model for the nation by national forestry organizations, businesses, and visitors to the city. The program currently maintains 200,000 trees and 120 miles of boulevards that provide Milwaukee with the natural beauty both residents and visitors enjoy.

In 2001, the Forestry Division will continue to ameliorate public components of the urban landscape, including:

- Boulevards
- City grounds
- Trees
- Recreational facilities (grounds maintenance)

Improvements in these areas contribute to a healthy environment, attractive neighborhoods, and a favorable image of Milwaukee among visitors. In winter months, Forestry also assists the Sanitation Division with coordinating snow and ice control.

Figure 1



In 2001, the Forestry Division will control over \$10.8 million in resources (see Figure 1). The city operating budget will provide approximately \$9.9 million for salaries and fringe benefits, equipment, and services costs, while the capital improvements budget will provide \$968,000 for ongoing capital projects.

DPW OBJECTIVE 5

Reduce the number of citizen complaints regarding the condition of the boulevards to less than fifty per year.

OUTCOME HISTORY (see page 169)

The Forestry Division design landscapes, and maintains the city's boulevard system. Landscape design typically incorporates trees, shrubs, floral beds, turf and concealed irrigation systems onto the existing boulevards. The Forestry Division has been able to achieve cost savings in boulevard maintenance and design as a result of efficiencies gained by: using mobile maintenance crews; better placement of water valves; consolidation of mowing routes; and increased use of lower maintenance shrubs and perennial flowers.

In the effort to increase citizen satisfaction with boulevard appearance, in 2001 the Forestry Division plans to use \$3.4 million in operating funds for maintenance of more than 476-acres of boulevards and green spaces. In addition, Forestry plans to use \$473,000 in capital funds for boulevard-related projects. The total DPW budget includes \$5.3 million for

this objective. To measure more adequately residents' satisfaction with the appearance of boulevards, Forestry will supplement this funding-level indicator by tracking the number of complaints about the condition of boulevards.

ACTIVITIES

- Turf maintenance
- Irrigation systems repair
- Bed maintenance
- Tree and shrub planting

PROGRAM CHANGES

Increase in Boulevard Mowing: The 2000 budget included a 25% reduction in boulevard mowing. The Forestry Division implemented this reduction by extending the mowing cycle from one to two weeks beginning in mid-July when turf growth rates slow down. Citizen complaints regarding the appearance of the city's boulevards increased dramatically during the summer of 2000. The 2001 budget includes \$56,650 to restore the boulevard mowing cycle to pre-2000 levels.

CAPITAL IMPROVEMENTS

As part of the 2001 capital improvements plan, \$470,000 will be allocated for concealed irrigation and general landscaping of city boulevards. This program includes funding for all phases of new and

existing systems: water tap installation, raising water services, and construction of the concealed irrigation systems in conjunction with the paving program.

DPW OBJECTIVE 6

Reduce three-year average tree mortality rate to less than 1.5% by the year 2001.

OUTCOME HISTORY (see page 170)

The 2001 Forestry budget includes \$6.1 million in operating funding and \$470,000 in capital funding for the care and maintenance of approximately 200,000 trees in public spaces throughout the city. The total DPW budget for this objective includes \$8.4 million in funding.

Over the last ten years, the overall tree mortality rate has decreased from over 2.5% to about 2%. The mortality rate increased slightly in 1997 and 1998, this

was due to a change in criteria for removal. Forestry now removes marginal trees instead of waiting until they are nearly dead. In the long run, this policy will result in a healthier urban forest and a decreased mortality rate. Removal statistics from 1999 indicate that the mortality rate is beginning to decline again (see Figure 2).

The Forestry Division participates with the U.S. Department of Agriculture to trap the Gypsy Moth and determine its spread in Milwaukee. In 1998, the Wisconsin Department of Trade and Consumer Protection expanded the Gypsy Moth quarantine to Milwaukee, Waukesha, and eleven other eastern counties. Due to steady moth population increases (see

Figure 3), the Forestry Division will work with these agencies to enhance monitoring efforts, research “Entomaphoga” (a fungus that attacks Gypsy Moth larvae) as a control measure, and develop information and outreach programs targeted toward Milwaukee citizens.

In 2001, the Forestry Division will also work with the Department of Agriculture to monitor aggressively Asian Longhorned Beetle populations around the state. Potential infestations would have serious effects on the tree mortality rate for the city’s urban forest. As a precaution, the Forestry Division is taking a pro-active approach to avoid such infestations.

In 1998 and 1999, the City of Milwaukee experienced a number of windstorms, which resulted in the removal of over 1,000 city street and boulevard trees. The Forestry Division’s annual tree replacement program will ensure that these trees are replaced within one year of removal. Figure 4 illustrates the division’s urban forestry replacement rate from 1988 to 1999.

Program Result Measures: In 1999, the Forestry Division created new result measures to track the success of this objective. In 2001, the Forestry Division will continue to use the following measures to monitor the mortality rate of the city’s urban forest:

- Number of street trees planted
- Number of trees damaged, serviced and removed
- Percentage of trees replanted within one year of removal

ACTIVITIES

- Tree planting
- Production of trees at the city nursery
- Pruning and maintenance of trees
- Removal of hazardous and damaged trees and stumps

PROGRAM CHANGES

Greening Milwaukee: The Forestry Division collaborates with the Greening Milwaukee

Figure 2

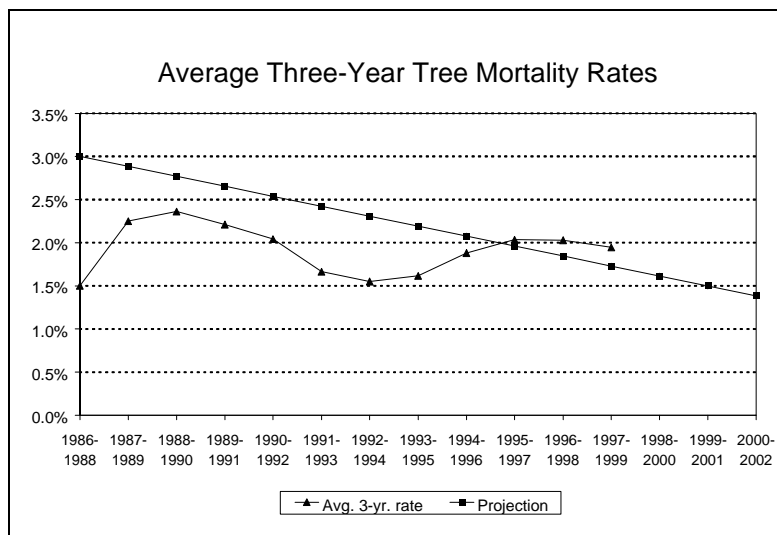


Figure 3

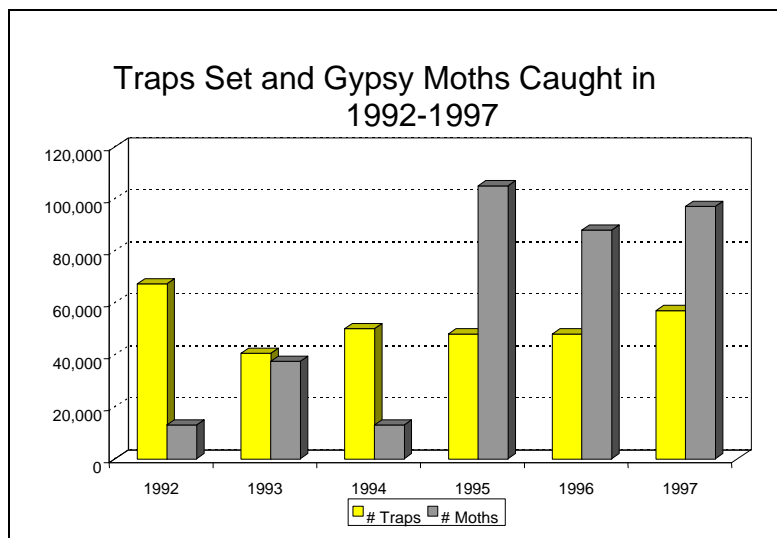
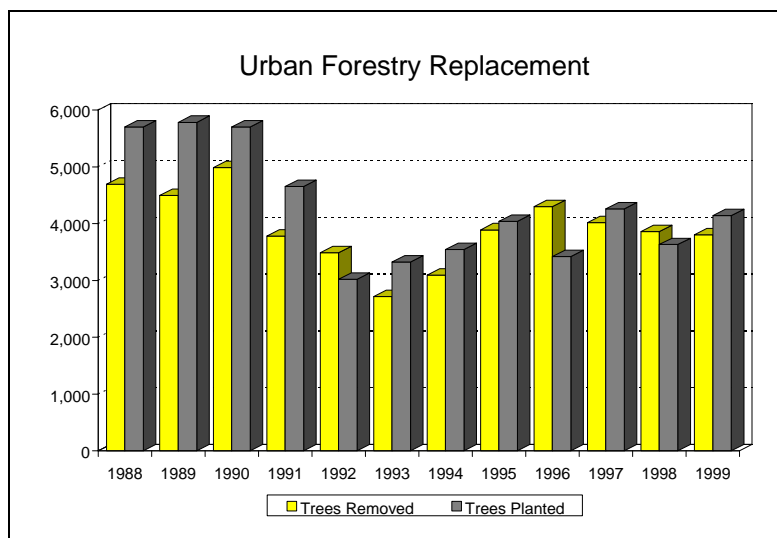


Figure 4



organization to educate citizens about the value of tree planting on private property. From 1997 through 1999, Forestry has distributed over 1,000 trees to private property owners in pursuit of this objective. There are currently training programs in all 17 Community Development Block Grant neighborhood areas aimed at educating citizens about proper methods of planting and maintaining trees grown on their property.

The Forestry Division will continue to work with Greening Milwaukee to further increase the number of trees planted on private property. Each individual who receives a new tree through the program will complete a training program on care and maintenance, helping to ensure residual benefits to Milwaukee's urban forest.

Greening Milwaukee's Schools: Since the 1950's, many of Milwaukee's public school playgrounds have been paved with asphalt to reduce maintenance costs. However, this has resulted in public school playgrounds devoid of trees, grass, and playable surfaces for our children. Asphalt surfaces are on

average 10 to 15 degrees hotter than shaded playgrounds, and thus less appealing to use.

Playgrounds with trees and grass offer children a more hospitable environment, free of asphalt and extreme temperatures. They also reduce the risk of injury from falling on hard surfaces. In addition, trees expand the educational and instructional opportunities for science teachers and school children alike. In 2000, the Forestry Division partnered with Milwaukee Public Schools, and the UPAF/Vision Urban Forestry Fund planted 139 trees at nine schools during the spring planting season. In the fall, Forestry will plant another 204 trees in and around the asphalt playgrounds of eleven more schools.

The Forestry Division will seek to expand this program to 80 other schools over the next four years. A total of \$50,000 will be used in 2001 to fund the division's participation in Greening Milwaukee's Schools. The division will provide trees to schools, while helping to coordinate and train volunteers on how to plant and care for their new trees.

CAPITAL IMPROVEMENTS

As part of the 2001 capital improvements plan, \$498,000 will be allocated for planting trees and shrubs. A total of \$448,000 will be used for plantings done in conjunction with the paving program, as well as along various median boulevards throughout the city. This amount will fund the planting of 4,582 trees. These estimates are based on the 2000 completed street construction program, normal tree replacement program, and the Forestry Division's short- and long-range outcome objective of a 98% stocking level.

The Forestry Division's tree planting program improves the health of the urban forest and increases the amount of tree coverage in the city. A healthy and dense tree coverage has both potential environmental benefits (reduced stormwater flow and improved air quality through carbon reduction), and economic benefits (conserving energy during summer months). Reductions in this program are undesirable also because they might impair the city's ability to honor promises about plantings made to property owners during construction discussions.

OTHER ACTIVITIES AND CHANGES

The Forestry Division will continue to provide technical support and expertise to the Mayor's Landscape Awards Program. The presentation of these annual awards has been conducted under the sponsorship of Greening Milwaukee since 1997, and honors members of the community who through their "greening efforts" beautify and add value to Milwaukee's neighborhoods.

Funded primarily by private donations, each year the program presents two awards per aldermanic dis-

trict, and a number of special awards for outstanding beautification achievements. In 2001, people all across the city will once again be recognized for their contribution to improving the quality-of-life and aesthetic appeal of Milwaukee's neighborhoods. The landscape awards will be presented at an official ceremony in the spring of 2001, which will also initiate the 2001 awards season running from May through September. Award winning landscapes in 2001 will be recognized at the spring 2002 ceremony.

Program participation is guided exclusively by a "Nominate Your Neighbor" theme. The Landscape Awards Committee accepts nominations of citizens,

churches, schools, and businesses at the nomination hotline: (414) 273-TREE (8733).

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	191.73	164.71	168.21	3.50
FTEs - Other	25.81	23.30	23.30	0.00
Total Positions Authorized	341	307	312	5
DLH - Operations and Maintenance	326,704	296,484	300,078	3,594
DLH - Other Funds	46,658	41,944	41,944	0
EXPENDITURES				
Salaries and Wages	\$6,531,523	\$6,707,721	\$6,687,323	\$-20,398
Fringe Benefits	1,997,283	2,146,471	2,206,817	60,346
Operating Expenditures	806,966	714,869	793,449	78,580
Equipment	199,695	173,000	180,000	7,000
Special Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$9,535,467	\$9,742,061	\$9,867,589	\$125,528
REVENUES				
Charges for Services	\$198,673	\$206,000	\$160,000	\$-46,000
Miscellaneous	<u>0</u>	<u>0</u>	<u>50,000</u>	<u>50,000</u>
TOTAL	\$198,673	\$206,000	\$210,000	\$4,000

CAPITAL PROJECTS - Includes \$968,000 for the following projects:

- | | | |
|----|---|-----------|
| a. | Planting trees, shrubs, and evergreens paving/various. | \$498,000 |
| b. | Concealed irrigation and general landscaping - city boulevards. | \$470,000 |

DEPARTMENT OF PUBLIC WORKS INFRASTRUCTURE SERVICES DIVISION

EXECUTIVE SUMMARY

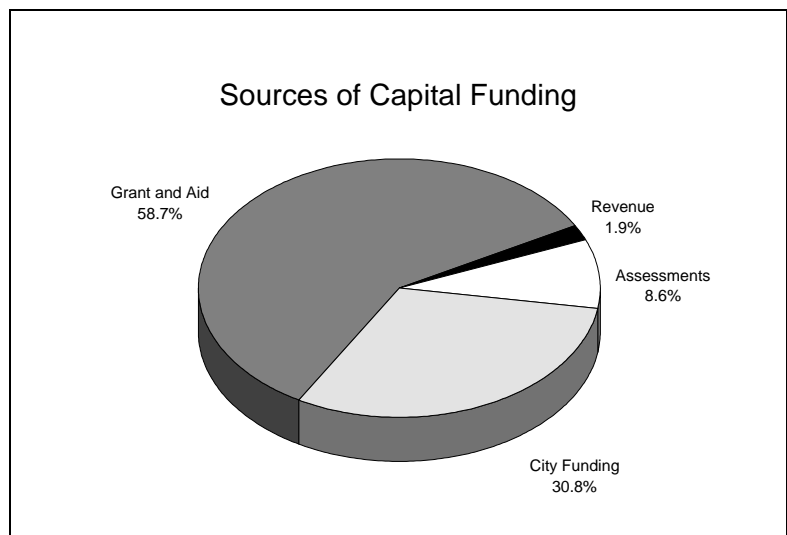
STRATEGIC ISSUES:	<p>Provide a transportation system that efficiently distributes travel between mass transit, automobiles, and other modes of transportation.</p> <p>Increase accessibility to employment throughout the region.</p> <p>Improve air and water quality to meet federal requirements.</p> <p>Improve the attractiveness of neighborhoods.</p>
INITIATIVES FOR 2001:	<p>Improve efficiencies in various operations through consolidation and/or reallocation of workloads.</p> <p>Improve efficiencies within the division by correct allocation of fees to proper divisions, funds, and projects.</p> <p>Continue with the Sixth Street Viaduct replacement project.</p> <p>Park East Freeway spur removal.</p> <p>Downtown major pedestrian corridors study and downtown connector study.</p> <p>Have private developers perform design and engineering work for development projects.</p>

BACKGROUND

The Infrastructure Services Division is responsible for design, construction, and maintenance of the city's infrastructure systems, including streets and alleys, bridges, sewers, sidewalks, traffic control devices, street lights, and underground conduits. In addition, the division coordinates transportation improvements with other governmental agencies and railroad companies. The division also undertakes engineering studies and investigates various permits, plans, and easements.

In 2001, the Infrastructure Services Division will control approximately \$20.9 million in operating funds and \$32.8 million in capital funds (in addition, \$47.7 million in state and federal aid assists in funding the city's infrastructure needs). The primary sources of capital funding are the city's property tax and

Figure 1



federal and state grants and aid, which together constitute 89.5% of the total capital budget. Other sources of funding include special assessments and revenue. Sources of capital funding are shown in Figure 1.

Although the Infrastructure Services Division receives a significant amount of grant and aid, these

funds are used primarily for two capital programs: the Major Bridge Program and the state- and federal-aided Major Street Improvements Program. Grant and aid funds constitute 81.6% of the bridge program and 81.3% of the street program, enabling the city to preserve and maintain its street and bridge systems, critical components of the overall infrastructure system.

DPW OBJECTIVE 1

Ensure that the surface transportation system provides a safe, attractive, and efficient means to maintain the economic vitality of the city, complement land use development, serve the needs of the business community, and preserve residents' quality-of-life.

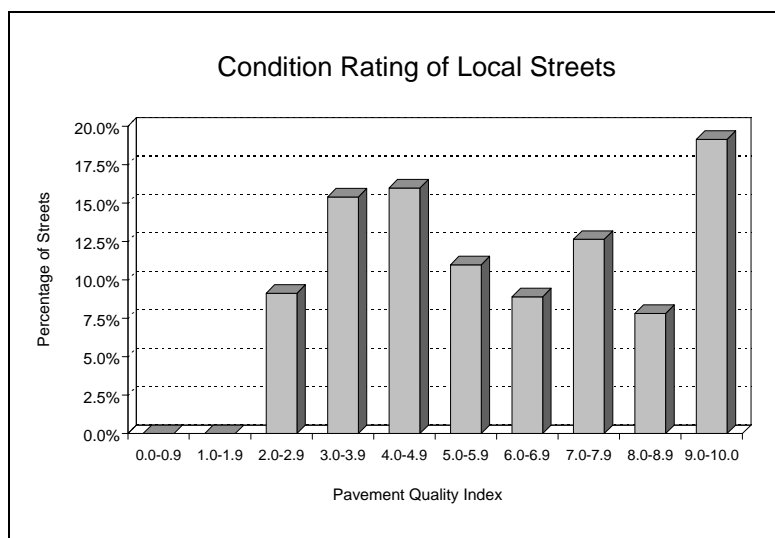
OUTCOME HISTORY (see page 169)

Many of the Infrastructure Services Division's activities are designed to improve the condition of the city's surface public ways (primarily streets and alleys). Activities include resurfacing or reconstructing existing pavement, curbs, and gutters, and constructing new streets as part of residential, commercial, and industrial development. The 2001 budget includes \$9.5 million in operating funds and \$52 million in capital and grant funds for this objective. Operating funds include approximately \$7.3 million for Infrastructure, \$2.0 million for Buildings and Fleet, and \$200,000 for Administration. Infrastructure's budget includes \$18.2 million in capital and \$33.8 million in grant funding. This level of funding will pave 21.66 miles of arterial, collector and local streets, and 2.77 miles of alleys.

Maintaining safe and efficient surface public ways furnishes residents with access to employment, goods and services, and also provides a way for businesses to transport goods to their customers. The objective is measured through a Pavement Quality Index (PQI), which rates street conditions on a scale of 0 to 10 based upon visual observations, historic records, and non-destructive testing on non-residential streets.

PQI ratings are calculated for two general street categories: locals and collectors/arterials. Each category has a minimum acceptable PQI, with a rating below

Figure 2



the minimum being an indicator that the street requires rehabilitation or reconstruction. Minimum acceptable ratings range from 4.0 for local streets to 5.5 for collectors/arterials. The minimum PQI level for collectors/arterials is higher than that of local streets because of their greater importance in providing access to goods and services, and employment. In 1999 the average PQI rating was 6.1 for local streets. As shown in Figure 2, the majority of local streets, 75.4%, are rated above the minimum PQI, and 19.1% are rated above 9.0.

The city has hired a consultant to update the pavement management system database and to recalibrate the pavement models in 2000. The division has also collected data to develop a similar condition index to evaluate the condition of alley pavement. The Infrastructure Services Division will use the knowledge gained from working with the street pavement management system to monitor the quality of the city's alley system.

Although pavement condition is a critical outcome measure, maintaining pavements in an acceptable condition is not the only objective for Infrastructure Services' street, alley, and sidewalk programs. These programs are also intended to improve and maintain the livability of city neighborhoods while reducing the environmental impact of the automobile. Progress toward meeting these goals is more difficult to measure, as these goals are more intangible than the actual physical condition of pavements. However, the division supports these goals in two ways:

1. The division uses paving projects to increase city green space. In conjunction with the city street-paving program, the Infrastructure Services Division determines whether the borders for trees and boulevards can be increased, thereby improving the quality of the city's public spaces.
2. The division encourages the use of alternative modes of transportation. By enhancing pedestrian and bicycle mobility in neighborhoods, reliance on the automobile is lessened. This, in turn, contributes to reduced traffic congestion and enhanced air quality. Spending on alternative modes of transportation includes funding earmarked for sidewalk and handicap pedestrian ramps, bicyclists, transit, and other clean air activities. The division continues to seek external funding sources for this purpose.

PROGRAMS AND ACTIVITIES

- Street Paving Program
 - State and/or federal paving
 - Reconstruction and resurfacing
 - New street construction
 - Developer-financed new street construction
- Street maintenance
 - Crack filling and repairing
 - Pothole patching
 - Seal coating
- Alley resurfacing and reconstruction
- Alley maintenance
 - Pothole patching
 - Surface patching
- Sidewalk Replacement
- Bicycle Task Force
- Bicycle, Transit, and Rideshare Enhancement Program

PROGRAM CHANGES

Position Changes: In the Administration Section, two Personnel Payroll Assistant I positions are transferred to the DPW-Administrative Services Division in order to consolidate payroll operations. As a result of the transfer, a Management Accounting Officer is created in order to perform other administrative functions in the Infrastructure Services Division. In addition, a previously unfunded Office Assistant III is funded.

In order to achieve operating efficiencies in the Transportation Section, the positions of Management Civil Engineer-Senior, Management Engineer Technician, and a Civil Engineer III-Auxiliary are replaced with a Civil Engineer IV and two Civil Engineer III's. Another change to achieve efficiencies in the Construction Section is by creating a Civil Engineer III position to absorb some of the duties of an eliminated Engineering Technician V and an unfunded Management Civil Engineer-Senior. Other changes include eliminating funding for one auxiliary Traffic Control Engineer II position. The division is also eliminating the following three vacant, unfunded positions: Office Assistant II, Engineering Drafting Technician IV, and Engineering Drafting Technician V.

Change in Special Assessments: The 2001 budget includes a change in special assessment policy. Currently, property owners are assessed for a specific percentage of costs for street, alley, and sidewalk reconstruction capital programs. The assessment percentages are established by Council Resolution (File Numbers 76-1256 and 76-1256-a). However, the Infrastructure Services Division only includes direct contract costs in the assessments; it does not include design, engineering or indirect costs. These costs will be included in the assessment. In 2001, streets will be assessed at 50%, alleys at 90% and sidewalks at 70%.

Community Development Block Grant Funds: The 2001 budget includes \$507,000 in Community Development Block Grant (CDBG) funds for infrastructure projects. The funds will be used for capital improvement projects in areas that qualify for CDBG funds.

Engineering Work for Development Projects: The city's policy is to have private developers perform the design and engineering work for private development projects. Infrastructure Services Division staff will exercise oversight of this process.

Bicycle Trails: The division plays a significant role for the city in planning and implementing new off-road bicycle paths. The division is currently working on several bicycle trails, including the Kinnickinnic

Bicycle Trail along the Kinnickinnic River. The 2001 budget includes \$500,000 in funding for bicycle trails. The majority of funding for the bicycle trails, \$392,000, comes from state and federal grant and aid.

CAPITAL IMPROVEMENTS

The Infrastructure Services Division manages six capital programs that provide financing to preserve and maintain the city's street, alley, and sidewalk system. In managing capital funds, the division strives to achieve a standard considered safe for motorists and pedestrians, while controlling annual maintenance costs. In 2001, \$18.2 million is allocated in Infrastructure Service's budget for ensuring public ways are kept in acceptable condition. This includes

\$11.5 million (63.1%) in city funding; \$6.3 million (34.7%) in special assessments; and \$400,000 (2.2%) in revenue. In addition, \$33.8 million in state and federal aid will fund these programs. Funding for public ways includes \$232,500 in grant funding to upgrade and improve parking and storage facilities at the Traser Yard and \$40,000 for street improvements at the Cambridge, Bartlett, and Kane intersections.

DPW OBJECTIVE 2

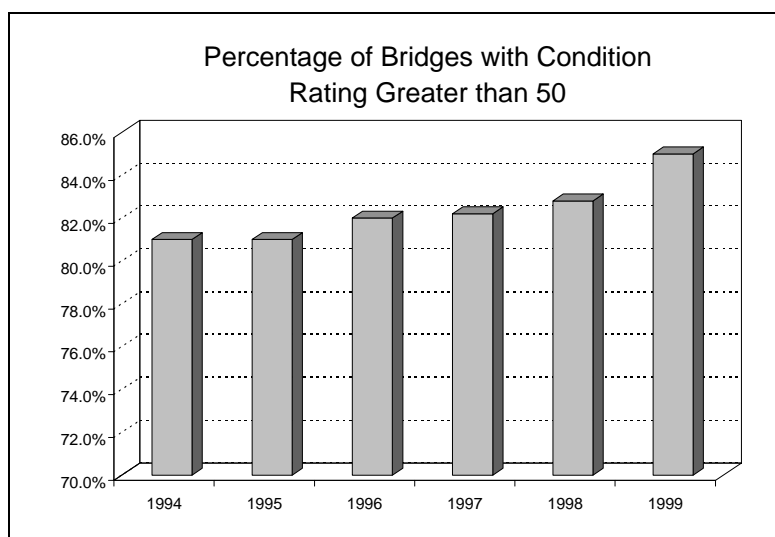
Provide safe and efficient infrastructure systems by maintaining 81% of bridges at a condition rating greater than 50.

OUTCOME HISTORY (see page 169)

As part of its efforts to provide safe and efficient public ways, Infrastructure Services Division operates and maintains the city's 216 bridges. The purpose of the bridge program is to preserve and maintain a bridge system that meets the needs of the city, ensures the safety for motorists and provides for efficient movement of vehicles, people, and commodities. The 2001 operating budget includes total funding of \$4.3 million for this objective, including funding of \$3.3 million in Infrastructure Service's budget, \$92,000 in Administrative Services, and \$1 million in Buildings and Fleet. There is also \$15.6 million in capital and grant funding allocated for this objective.

The division measures the condition of bridges using a sufficiency condition rating ranging from 0 to 100. Ratings are conducted every two years through mandatory physical bridge safety inspections. In 1999, 85.0% of the rated bridges had a sufficiency rating above 50. As Figure 3 shows, since 1994 bridge condition ratings have improved, indicating the division is maintaining bridges at a satisfactory level.

Figure 3



ACTIVITIES

- Bridge Reconstruction Program
- Bridge repair and maintenance
- Operation of the city's movable bridge system, including automated openings

PROGRAM CHANGES

Transfer of Position to the Sewer Fund: An Inspection and Records Manager position is transferred to the Sewer Maintenance Fund because this position performs primarily sewer-related work.

Efficiencies in Bridge Maintenance and Operations:

The 2001 budget includes a restructuring of bridge labor crews in order to achieve operating efficiencies. This involves eliminating three Bridge Laborer II and two Bridge Laborer I positions and creating one Bridge Labor Crew Leader and three City Laborer positions. This change will generate savings of \$38,000. An additional change is reducing two seasonal Bridge Operator positions, with savings of

\$41,000, as a result of implementing remote operation of bridges.

Position Changes: A vacant Ironworker position is eliminated and a Painter Supervisor, Ironwork position is funded for half a year in anticipation of a retirement.

CAPITAL IMPROVEMENTS

The Infrastructure Services Division manages the major bridge program, which finances bridge rehabilitation and reconstruction improvements. This program utilizes state, county, and federal grant funds in order to minimize the city's costs. In 2001,

\$2.3 million in city funding and \$600,000 in revenue is provided for this objective. In addition, \$12.7 million in state and federal aid for various bridge projects is provided.

DPW OBJECTIVE 3

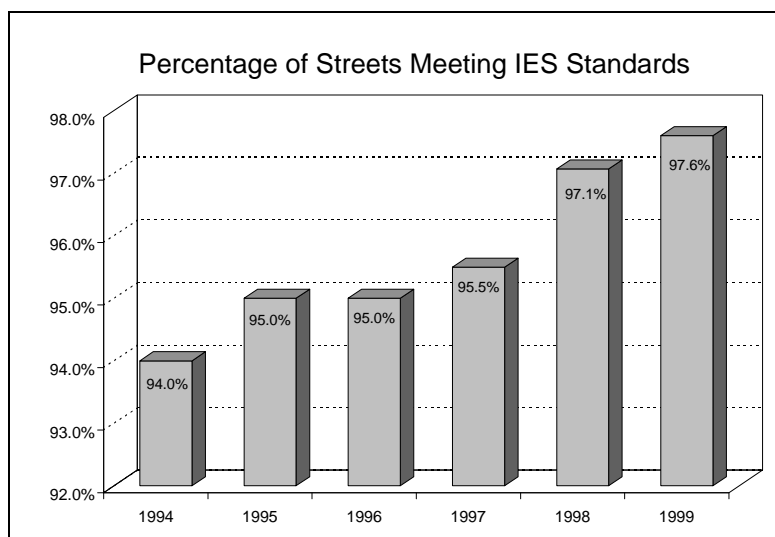
Maintain the livability of city neighborhoods by ensuring that 94% of streets meet IES lighting standards.

OUTCOME HISTORY (see page 169)

The purpose of the Infrastructure Services Division's street lighting program is to provide residents with pleasant and secure neighborhoods by providing a safe and reliable lighting system. The 2001 budget includes operating funding of \$8.5 million for this objective, including \$6.5 million in Infrastructure Services Division's budget, \$180,000 in Administrative Services, and \$1.9 million in Buildings and Fleet. In addition, \$5 million in capital funding is provided.

The measurement for this objective is a scale developed by the Illuminating Engineering Society (IES) which establishes optimal levels of lighting for different types of streets. As shown in Figure 4, the division continues to improve the percentage of streets meeting IES standards. In 1999, 97.6% of the lighted streets in the City of Milwaukee meet or exceed IES standards. This represents approximately 1,288 miles of lighted streets.

Figure 4

**ACTIVITIES**

- Lighting system operations
- Street lighting repair
- Replacing series circuitry with multiple circuitry to improve reliability and flexibility
- Converting mercury vapor and incandescent lighting to more efficient high pressure sodium lighting

- Capital Improvements
 - Replace deteriorated poles
 - Replace defective underground cable
 - Replace and repair substations
- Business Improvement District, Neighborhood Association and Commercial Area pedestrian level lighting

PROGRAM CHANGES

Position Changes: The budget eliminates four auxiliary Electrical Services Laborer positions. In addition, one vacant Electrical Services Machinist I position is eliminated.

CAPITAL IMPROVEMENTS

The Infrastructure Services Division manages the street lighting program to protect, upgrade, and repair streetlights. Total funding of \$5 million is provided in the 2001 budget, including \$500,000 (10%) in

assessments and \$4.5 million (90%) in city funding. This includes \$33,000 to upgrade the air conditioning system at the Electrical Services stores area at the Canal Street facility.

DPW OBJECTIVE 10

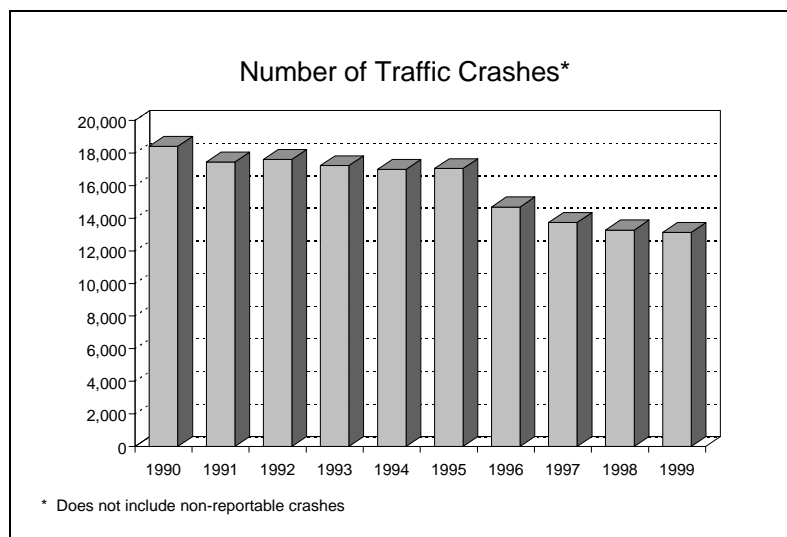
Design and operate transportation systems which support the safe and efficient movement of people and goods, and maintain the economic viability of the city by reducing the number of traffic crashes by 10% from 17,224 in 1993 to 15,500 in 2001.

OUTCOME HISTORY (see page 170)

The Infrastructure Services Division follows the Manual of Uniform Traffic Control Devices for Streets and Highways and the American Association of State Highway and Transportation Officials in order to maintain consistent traffic control design standards and facilities. Uniformity in design standards maintains roadway safety and increases recognition and compliance with traffic control facilities, including traffic signals, signal systems, and traffic signs by system users.

The traffic control facilities program provides for the safe, efficient, and economical movement of the public and their goods and services, which helps to improve traffic flow, reduce pollution, and promote the health and safety of residents and visitors. The 2001 operating budget provides funding of \$4.5 million for this objective, including \$3.4 million from the Infrastructure budget, \$96,000 from Administrative Services, and \$980,000 from Buildings and Fleet. In addition to operating funds, \$687,000 million in capital funding is devoted to this objective.

Figure 5



While factors outside of Infrastructure's control, such as enforcement of traffic regulations by the Police Department and changes in traffic patterns resulting from economic development, influence the number of traffic crashes, the division's activities do affect traffic safety. As shown in Figure 5, the number of traffic accidents decreased by 28.7% since 1990 to 13,127 in 1999. While part of the reduction in crashes results from a change in the State Division of Motor Vehicles' reporting requirements, enhanced enforcement of traffic laws have also contributed to the decline in crashes.

Although the primary purpose of this program is to improve the safety and efficiency of public ways, another important outcome for the city is to reduce the environmental impact of the automobile. While more difficult to measure, the division does conduct traffic surveys every two years to measure the number of persons per automobile entering and leaving downtown between 7 a.m. and 7 p.m. The goal is to increase the number of persons per automobile. Survey data show that the number of persons per automobile has decreased from 1.27 to 1.20, or 5.5% between 1988 and 1999.

ACTIVITIES

- Traffic control facilities
 - Install new traffic control facilities
 - Modify or upgrade existing traffic control facilities
 - Timing of traffic signals

- Repair of traffic signals
- Review land use access needs
- Participate on Milwaukee Safety Commission
- Meter installation
 - Traffic pattern analysis

PROGRAM CHANGES

Position Changes: The budget eliminates one vacant Traffic Sign Worker I.

Traffic Calming: One method of improving the effectiveness of traffic control is traffic calming. Traffic calming involves physically changing the operating characteristics of a local road to slow down the traffic speed. Traffic circles, roadway narrowing and curb pushouts have been utilized in Milwaukee for this purpose. The department works with neighborhood groups to include these design features in street paving projects.

CAPITAL IMPROVEMENTS

The division manages two programs, the Traffic Control Facilities Program and the Emergency Response Management - OPTICOM Program, to achieve this objective. The Traffic Control Facilities Program, funded at \$540,000, provides for installation of new and modification of existing traffic control facilities. The OPTICOM Program, funded at \$147,000, allows

Milwaukee Fire Department emergency equipment to preempt a traffic signal from the vehicle using optical communications. This reduces call response time and decreases the likelihood of accidents. The project will be employed at approximately 325 traffic signalized intersections.

DPW OBJECTIVE 18

Provide quality support services by satisfying 90% of customers with internal communication services.

OUTCOME HISTORY (see page 172)

The underground conduit system is designed and maintained by the Infrastructure Services Division and provides a secure and weatherproof means of connecting communication cables among various city departments, including the Fire Department, Police Department, Health Department, Milwaukee Public Libraries, Milwaukee Water Works, and the Department of Public Works. The conduit system also provides a reliable route for traffic signal and street lighting cable circuits and systems. The 2001 operating budget provides funding of \$600,000, including \$455,000 in Infrastructure Services Division, \$13,000 in Administrative Services, and \$130,000 in Buildings

and Fleet. In addition, \$950,000 in capital funding is allocated to this objective.

Although the Infrastructure Services Division designs and maintains the conduit, the DPW-Buildings and Fleet Division funds and provides staff for the actual operation of the communications services. In 2001, the department will develop and use a quantifiable outcome measure for evaluating communications services.

ACTIVITIES

- Install and replace underground communication conduit
- Maintain and replace manholes providing access to the underground electrical conduit system

CAPITAL IMPROVEMENTS

The Infrastructure Services and the Administrative Services Divisions allocate capital funding to this objective. Infrastructure Services manages the Underground Conduit and Manholes Program and the Underground Electrical Manhole Rehabilitation Program. Total funding of \$450,000, all of which is city funding, is provided in Infrastructure's 2001 capital budget for these programs. In addition, the DPW-Administrative Services Division provides approximately \$500,000 million in capital funding.

Infrastructure's capital budget also includes \$5.5 million in capital funding for sewer services that are not funded by the Sewer Maintenance Fund, including \$5 million, or 91% in city funding, and \$500,000,

or 9% in revenue. These funds support two programs: the Expansion of Capacity Sewer Program, which extends sewer service to areas of the city that do not currently have service and expands the capacity of existing sewers; and the Development Out-of-Program Agreement Sewer Program, which extends sewer service or modifies existing sewer systems when new development occurs. These capital programs support the department's strategic Objective 15, Sewer System Services, which is described in the "Sewer Maintenance Fund" section of the *2001 Plan and Budget Summary*. This section also describes a third sewer capital program, the Relay Sewer Program, which is in the Sewer Maintenance Fund.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	257.66	273.60	266.49	-7.11
FTEs - Other	233.42	304.35	305.52	1.17
Total Positions Authorized	815	801	786	-15
DLH - Operations and Maintenance	539,825	510,897	487,435	-23,462
DLH - Other Funds	420,156	547,323	610,633	63,310
EXPENDITURES				
Salaries and Wages	\$12,981,585	\$11,383,035	\$10,798,847	\$-584,188
Fringe Benefits	3,844,558	3,642,572	3,563,620	-78,952
Operating Expenditures	6,244,273	6,603,218	6,461,026	-142,192
Equipment	75,187	90,215	63,060	-27,155
Special Funds	0	0	0	0
TOTAL	\$23,145,603	\$21,719,040	\$20,886,553	\$-832,487
REVENUES				
Charges for Services	<u>\$3,382,685</u>	<u>\$3,027,400</u>	<u>\$2,566,800</u>	<u>\$-460,600</u>
TOTAL	\$3,382,685	\$3,027,400	\$2,566,800	\$-460,600

CAPITAL PROJECTS - Includes \$32,790,533 for capital projects in the 2001 capital budget.

Please refer to the "Capital Improvements" section of the *2001 Plan and Budget Summary* for details on capital improvement projects.

SPECIAL PURPOSE ACCOUNTS

EXECUTIVE SUMMARY

PURPOSE: Special purpose accounts are used to appropriate funds for purposes not included in departmental budgets. These may include one-time appropriations for short-term programs and those programs that may affect numerous departments. Every year the Common Council adopts a resolution authorizing expenditures from various accounts by specific departments or by Common Council resolution.

Highlights of 2001 special purpose accounts include:

Newly Created 2001 Accounts

Brownfields Remediation Outside Council: The 2001 budget includes \$50,000 to pursue *in personam* action against property owners who are tax delinquent. This initiative is part of a comprehensive plan to put properties on the "do not acquire list" back into productive use. This funding will be targeted specifically to parcels that hold high development potential. However, the city, where appropriate, will continue to pursue action against tax delinquent property owners.

E-Gov Citizen Response System: Provide \$150,000 in funding to create an Internet-based system, which will enable citizens to communicate and request services from the city electronically.

Excess TID #19 Funds: The 2001 budget includes \$500,000 as payment to other qualifying taxing jurisdictions (Milwaukee County, Milwaukee Public Schools and Milwaukee Area Technical College) for excess increment in Tax Incremental District #19 (Campus Circle). Total excess revenue from TID #19 is \$700,000. The city will retain the remaining \$200,000.

Grants and Aids Current Levy (Operating Expenditures): Provide \$5,000 to fund unanticipated out-of-pocket grant matches.

Municipal Court Information System Study: Provide \$100,000 in funding for the purpose of hiring a consultant to assess the redevelopment of the Municipal Court's MCMIS System. The consultant hiring process will be overseen by the Department of

Administration's Information Technology and Management Division and will require the Court's active involvement in drafting the request for proposal and selecting the prospective consultant.

Neighborhood Clean-up Initiative: In the 2001 budget, \$70,000 is provided to fund a neighborhood clean-up initiative, jointly sponsored by the Sanitation Division and the Department of Neighborhood Services. This initiative coincides with the creation of the Solid Waste Fund. This initiative formally adopts the Neighborhood Clean-up Pilot Program which began in 1999. In 2001, the Solid Waste Fund and the Department of Neighborhood Services will perform a targeted clean-up on a specified area in each of the seventeen aldermanic districts.

Solid Waste Fund - City Contribution: In the 2001 budget, \$27,085,837 is provided to fund the city's tax levy contribution for the newly created Solid Waste Fund. These funds will be used to fund snow and ice removal as well as the remaining sanitation expenses not recovered through the solid waste fee.

Other Significant Changes

Business Improvement Districts (BIDs): Funding authority for BIDs in 2001 totals \$4.6 million. In addition, four new BIDs totaling \$200,000 will be added in 2001. These new BIDs include 35th/North Avenue, Fond du Lac/North Avenue, 47th/West Vliet, and Teutonia/Capitol/Atkinson.

City Attorney Collection Contract: Funding for this account has been increased by \$475,000 from 2000. This account pays for the collection activities of both the Kohn Law Firm and Professional Accounts Management.

Damages and Claims Fund: Funding for this account has been decreased by \$400,000 in the 2001 budget to \$1,500,000. This account ensures that the city meets its legal obligations through claims, settlements of lawsuits, and payment of lawsuits.

Delinquent County Taxes: The 2001 budget eliminates the special purpose account for delinquent county taxes. Instead, funding of \$5,650,000 is provided in the newly created County Delinquent Taxes Fund.

Environmental Remediation Fund: The 2001 budget eliminates the special purpose account for environmental remediation. Instead, funding of \$350,000 is provided in the capital improvements budget for testing and clean-up of contaminated properties.

Equipment Cost Offset – Sewer Maintenance Fund: Funding for this account has been eliminated in the 2001 budget. The 2001 budget transfers responsibility for the funding of equipment from the General Fund to the Sewer Maintenance Fund, making funding of equipment consistent with the city's other enterprise funds. These other funds, the Parking Fund and the Water Works, directly fund their own equipment and are not subsidized by the General Fund. This change includes elimination of the Equipment Cost Offset Special Purpose Account, which is no longer needed.

FSA Dependent Care Account: Funding for this account has been eliminated in the 2001 budget. This account has been converted to an expendable trust account with an offsetting revenue source. As a result, funding for the expenses will be directly related to the revenue stream, which are the employee elected contributions to either one of the Flexible Spending Accounts. This account allows plan participants to pay for eligible day care expenses with pre-tax dollars, free of federal, state, and FICA taxes.

FSA Medical Care Account: Funding for this account has been eliminated in the 2001 budget. As a

result, funding for the expenses will be directly related to the revenue stream, which are the employee elected contributions to either one of the Flexible Spending Accounts. This account allows plan participants to pay for eligible medical expenses not covered by their health or dental insurance with pre-tax dollars.

Outside Council/Expert Witness Fund: An additional \$250,000 is provided for this purpose in 2001. This fund enables the city to meet its legal obligations and improve the efficiency and effectiveness of city services.

Parking Fund Enforcement Payment: The 2001 budget eliminates the special purpose account – Parking Fund Enforcement Payment. Parking Fund enforcement expenses will be funded through the Parking Fund's budget.

Reserve for 27th Payroll: The 2001 budget shows an increase of \$155,000 for the 27th payroll to \$1,820,000. The costs for the 2000 and 2004 leap years are being amortized over a six-year period. As a result, this account will see increases each year until 2005.

Retiree's Benefit Adjustment: The 2001 budget includes a decrease in funding of \$469,000 for this account. ERS retirees who previously received this supplement, will receive enhanced benefits as part of the global pension settlement. As a result, this supplement account will no longer be necessary. Funding of \$417,000 is provided for certain non-ERS retirees. In addition, the ERS Fund includes tax-levy funding of \$2.5 million to provide a one-time benefit improvement to Fire Annuity & Police Annuity Benefit Fund members.

Wages Supplement Fund: Increase funding by approximately \$1.4 million (from \$18,555,000 to \$19,938,000) to reflect anticipated wage and fringe benefit increases resulting from collective bargaining agreements.

SPECIAL PURPOSE ACCOUNTS - REIMBURSABLE SERVICE ADVANCE FUND

The Reimbursable Service Advance Fund serves as a mechanism for advancing funds to city departments to pay for services and materials which will subsequently be reimbursed through non-tax levy funding sources. Funds must be appropriated by Common Council resolution.

Funding for this account is provided by temporary transfer of general city funds in accordance with Section 925-130a, Wisconsin Statutes 1919. (General city funds are then reimbursed from revenues received from interdepartmental billings.) This mechanism may also be used to address greater than expected

expenses when related to the generation of additional revenue.

Currently, increased costs relating to revenue generating activities normally require a supplemental contingent fund appropriation. For example, an increase in citation processing activity will likely require a contingent fund appropriation to cover additional costs even though the increased activity results in greater than anticipated revenue to the city. A mechanism that would allow for recognition of additional revenue to offset increases in costs would help to preserve the contingent fund for other purposes.

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Reimbursable Service Advance Fund	\$0	\$50,000,001	\$50,000,001	\$0
Less Cost Recovery From Reimbursable Operations	<u>0</u>	<u>-50,000,000</u>	<u>-50,000,000</u>	<u>0</u>
TOTAL	\$0	\$1	\$1	\$0

SEWER USER CHARGES

This account will provide expenditure authority of \$33,476,216 to pay the Milwaukee Metropolitan Sewerage Commission's sewer user charges. The account also covers the city's expenses associated with ad-

ministering and collecting the sewer user charge. The expenditure authority is offset, except for \$1, by anticipated collection of the user charge from sewer users in the city.

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
MMSD-Sewer User Charge Advance Fund Account	\$0	\$37,286,350	\$33,476,216	\$-3,810,134
Charge	<u>0</u>	<u>-37,286,349</u>	<u>-33,476,215</u>	<u>3,810,134</u>
TOTAL	\$0	\$1	\$1	\$0

Note: The budget amounts for the Reimbursable Service Advance Fund and Sewer User Charges are included in the Special Purpose Account - Miscellaneous total. This summary is provided for information purposes only.

SPECIAL PURPOSE ACCOUNT - WORKER'S COMPENSATION

The Worker's Compensation special purpose account, administered by the Employee Benefits Division of the Department of Employee Relations, consists of two sub-accounts. One sub-account compensates city employees who incur job-related injuries. Recovery of payments from third parties helps to offset part of these workers' compensation claims. A second sub-account, Required Employer Law Compliance Expenses, covers expenses incurred as a result of exposure to bloodborne pathogens in the workplace, as mandated by the Bloodborne Pathogen Law.

The 2001 budget for the worker's compensation expenses sub-account totals approximately \$6.0 million, an increase of \$600,000 from the 2000 adopted budget. This appropriation is based upon previous full-year and year-to-date experience. The second sub-account, Required Employer Law Compliance Expenses, is budgeted at \$60,000 for 2001.

In total, these two sub-accounts include budgeted funds of \$6.06 million for 2001.

SUMMARY OF EXPENDITURES

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Worker's Compensation Expenses	\$5,763,071 <u>57,202</u>	\$5,400,000 <u>80,000</u>	\$6,000,000 <u>60,000</u>	\$600,000 <u>-20,000</u>
TOTAL	\$5,820,273	\$5,480,000	\$6,060,000	\$580,000

SPECIAL PURPOSE ACCOUNT - EMPLOYEE HEALTH CARE BENEFITS

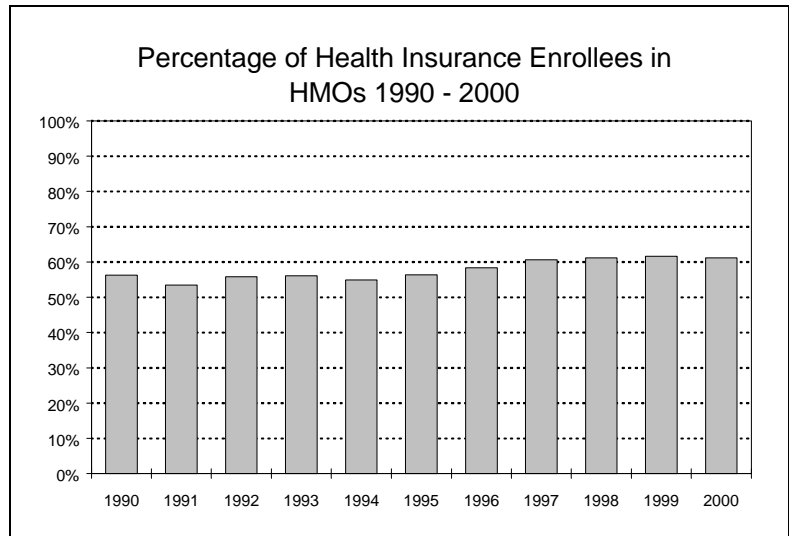
This special purpose account covers employee health care benefit costs associated with the self-insured health care benefit program (the "Basic" Plan), Health Maintenance Organizations (HMOs), and dental insurance. Approximately 67.6% of city health insurance members are enrolled in HMOs with the remainder enrolled in the "Basic" Plan (see Figure 1).

The Employee Health Care Benefits special purpose account also includes funding for administrative expenses and cost containment measures. The Employee Benefits Division of the Department of Employee Relations (DER) manages the account.

The 2001 employee health care budget is just over \$61.6 million, an increase of 15.4% from the 2000 funding level of \$54.1 million. The 2000 funding level included the 2000 adopted budget of \$53.3 million and carryover of \$0.8 million.

In 2000, HMO rates were negotiated for 2001. The re-negotiated rates increased 4.5% to 22% over 2000 rates. Approximately \$3.0 million is provided in the 2001 budget to cover this increase.

Figure 1



Employee contributions for the basic plan will change from \$25 for single plan to \$40 for single plan and from \$50 for the family plan to \$80 for the family plan for District Council 48. Management employees will experience an increase in the basic plan of \$10 for the single plan and \$20 for the family plan. The basic plan rates that management will see are \$60 for the single plan and \$120 for the family plan. Savings from these changes are \$115,000.

SUMMARY OF EXPENDITURES

EXPENSE CATEGORY	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Claims	\$18,728,197	\$18,780,000	\$22,100,000	\$3,320,000
Health Maintenance Organizations	29,465,812	31,200,000	36,000,000	4,800,000
Dental Insurance	2,589,570	2,300,000	2,500,000	200,000
Administrative Expense	652,623	710,000	710,000	0
Cost Containment	458,836	300,000	300,000	0
TOTAL	\$51,895,038	\$53,290,000	\$61,610,000	\$8,320,000

SPECIAL PURPOSE ACCOUNT - DEFERRED COMPENSATION PLAN

EXECUTIVE SUMMARY

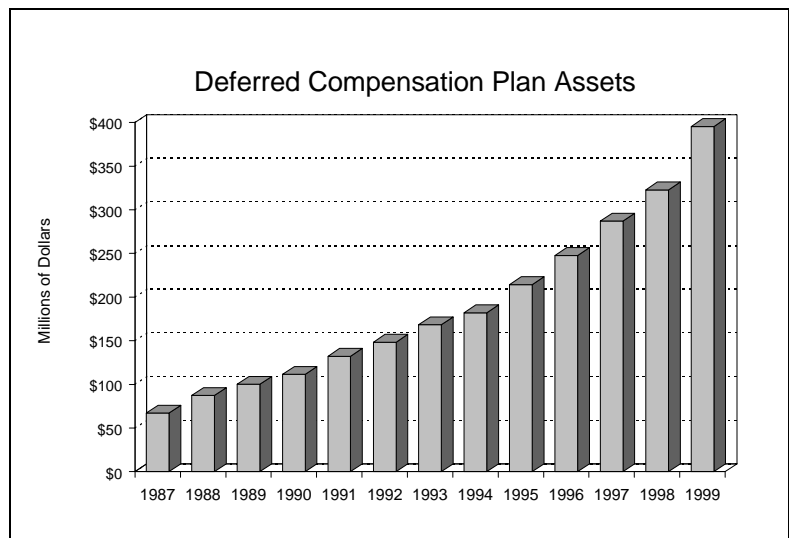
MISSION:	To provide a tax deferred retirement savings option for city employees that is cost effective and responsive to the needs of its participants and which is in accordance with s. 457 of the Internal Revenue Code.
STRATEGIC ISSUES:	Continue a responsive organizational structure and enhance labor/management partnerships. Offer a wide variety of investment options to meet the needs of participants.
INITIATIVES FOR 2001:	Continue to provide administration for the Deferred Compensation Plan in the most efficient manner.

BACKGROUND

Section 5-50 of the Milwaukee City Charter allows for establishment of a Deferred Compensation Plan. The plan is a non-qualified, tax deferred retirement plan governed under Section 457 of the Internal Revenue Code. Such a plan allows city employees to defer, or set aside, a portion of their income before federal and state taxes are withheld. The income is not taxed until it is withdrawn from the plan, usually at retirement, when an individual's marginal tax rate may be lower.

The Deferred Compensation Plan has been in existence since 1974 and was opened to all employees in 1977. It is funded entirely by payroll and rollover contributions of city employees and associated earnings. The plan is administered by a nine-member Deferred Compensation Board which has hired contractors to perform daily activities in enrollment, record keeping, marketing and investment selection, and monitoring. In 1987, the plan was unbundled to offer participants five investment options in which to invest their funds. Since then, the plan has grown to its present size of approximately 6,765 participants, which is a

Figure 1



63 percentage rate of participation, with assets of \$395.4 million.

The Deferred Compensation Plan was previously administered from the Office of the Comptroller, but a separate budgetary control unit was established in 1996. The plan is totally self-sustaining and does not have an impact on the City of Milwaukee's tax levy. All expenses of the plan are paid for by participants.

OBJECTIVE 1

Maintain a qualified, cost effective, and responsive Deferred Compensation Plan in accordance with s.

457 of the Internal Revenue Code and employees' needs.

OUTCOME HISTORY

The present menu of investments consists of "new plan" and "old plan" investments. The "old plan" investments are two insurance company contracts which provide a fixed return and a variable return for as long as funds are accumulated during an employee's working years. "Old plan" investments of this sort were used exclusively during the first decade of the plan's existence, largely because no real alternative existed for 457 plans. In 1987, the Board closed "old plan" investments to new monies. Arrangements were made with the insurance carriers to enable participants to move out of these investments if they so desired. As a result, today only about \$3 million of the plan's assets remain in "old plan" investments.

There are five "new plan" investment options from which participants choose for payroll contribution deposits. Since this is a participant-directed plan, the decision of which investment option(s) to use is made entirely by the participant. The Board hires a third-party administrator to provide education to participants about the varying investment characteristics of each of the five options. The Board has assumed responsibility for specifying the options from which participants make their choices. In doing this, the Board has decided to focus on broad investment categories, or strategies, in making options available to participants. The plan's five investment options are Stable Value Account; Income Account; Socially Conscious Balanced Account; Passively Managed Equity Account; and Actively Managed Equity Account. Supporting the investment options are either a group of investment contracts selected by the Plan's discretionary investment manager for the Stable Value Account or a group of mutual funds selected by the Board for the other four accounts.

By offering a variety of investment options, the Board has provided plan participants with an opportunity to diversify their investments, should they so desire. The Board has improved investment returns to the participants by actively seeking out manager fee re-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Increase employee participation by 3%.	61.0%	65.0%	63.0%
Increase participant cash flow by 2%.	\$4,225	\$4,786	\$4,310
Funding by Source:			
Operating Funds	\$912,766	\$1,220,740	\$1,015,087
(Employee Contributions)			
Total:	\$912,766	\$1,220,740	\$1,015,087

ductions, institutional class fund shares, 12 B-1 fee rebates, and low operating cost funds.

Outcome indicators have been reduced to more accurately reflect actual experience. Services provided to employees in 2000 will remain the same for 2001. Approximately \$1 million is allocated towards this objective in 2001.

ACTIVITIES

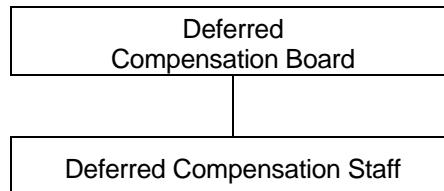
- Enrollment, agreement processing, payroll changes, future allocation changes, quarterly reporting, participant advising, and educational seminars
- Invest in five investment options (Stable Value Account, Income Account, Balanced Socially Conscious Account, Passively Managed Equity Account, and Actively Managed Equity Account)
- Receive and deposit participant contributions

PROGRAM CHANGES

Reduced Service Fees: The department received a reduction in fees from new contracts through a request for proposal process and contract negotiations for the Third Party Administrator and the Manager of the State Value Account. This allowed the department to reduce its operating expenditures over \$200,000 and pass the savings on to city employees in the plan.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	2.00	2.00	2.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	2	2	2	0
DLH - Operations and Maintenance	4,160	3,792	3,792	0
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$101,143	\$106,697	\$111,586	\$4,889
Fringe Benefits	32,138	34,143	36,823	2,680
Operating Expenditures	779,485	1,002,400	789,178	-213,222
Equipment	0	2,500	2,500	0
Special Funds	0	75,000	75,000	0
TOTAL	\$912,766	\$1,220,740	\$1,015,087	\$-205,653
REVENUES				
Charges for Services	\$912,766	\$1,220,740	\$1,015,087	\$-205,653
TOTAL	\$912,766	\$1,220,740	\$1,015,087	\$-205,653
CAPITAL PROJECTS - None				

ORGANIZATION CHART**DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES – None**

SPECIAL PURPOSE ACCOUNT- BOARD OF ZONING APPEALS

BACKGROUND

The Board of Zoning Appeals (BOZA) is composed of five members appointed by the Mayor, subject to confirmation by the Common Council. The Board's

duty is to hear and decide appeals of rulings on city zoning ordinances.

OBJECTIVE 1

Provide decisions on routine zoning appeals within four to eight weeks of application and within eight to twelve weeks on decisions on complex or controversial appeals.

OUTCOME HISTORY

Several years ago, written decisions on Board of Zoning Appeals cases took an average of 27 weeks between the customer's application and a final letter communicating the Board's decision. It took slightly more than 12 of these 27 weeks for a case to be heard before the Board, followed by a 15 week wait for a final decision letter. As of May 2000, with the aid of recent revisions to the ordinances governing the appeals process, the Board was issuing written decisions within 8 to 12 weeks on average (see Figure 1).

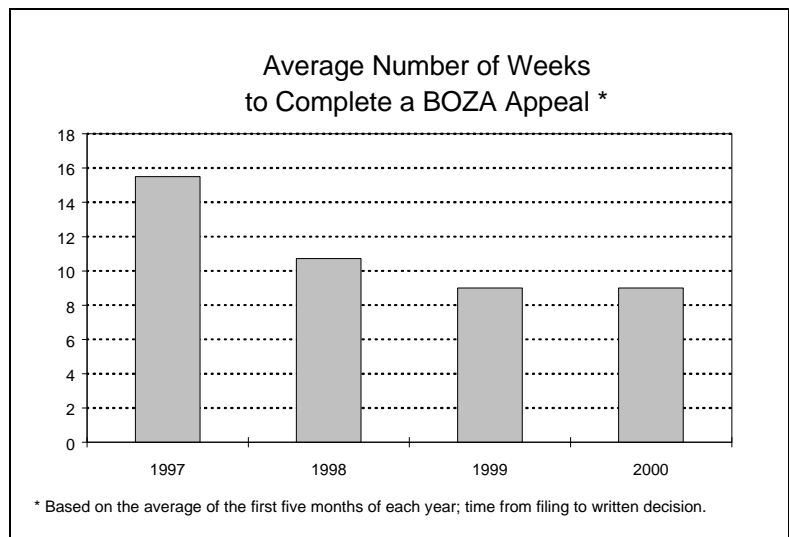
Ordinance revisions were designed to reduce delay and increase process efficiency. For example, the Zoning Administration Group now reviews each application and makes recommendations to the Board. In the past this function had been performed by the full Plan Commission Board. This new procedure has helped to reduce the processing time by three to four weeks.

In a survey of Board of Zoning Appeals customers, conducted in 1999, approximately 78% of all respondents indicated that they were "Very Satisfied" with the processing time for a zoning appeal. In 1995, the customer satisfaction with the length of time to process an appeal was approximately 33%. In 2001, BOZA will continue to focus on reducing the time spent on waiting

for a hearing. Its goal for 2001 is to hear and decide 75% of all cases within eight weeks. The Board of Zoning Appeals will dedicate \$248,515 to meeting this goal in 2001.

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Average number of weeks to complete a BOZA appeal.			
Routine Appeals	9.0	8.0	8.0
Complex Appeals	11.0	12.0	12.0
Funding by Source:			
Operating Funds	\$221,559	\$241,322	\$248,515
Total:	\$221,559	\$241,322	\$248,515

Figure 1



UPDATE OF PROGRAM CHANGES

Consent Agenda Implemented: Historically, about one-third of the cases heard before BOZA were renewals of appeals that had been granted in earlier years. BOZA now reviews renewal cases, as well as many non-controversial special uses and variances, on a consent agenda if the Zoning Administration Group recommends approval. This avoids a full hearing on routine renewals and allows the Board to devote the majority of its time to hearing complex or controversial appeals. As of May 1999, approximately 40% of the Board's agenda items were on the consent agenda.

Prompt Decision Letter Notification: Receiving the Board's written decision in a timely manner after a hearing is very important to BOZA customers. BOZA staff has continued to prepare and deliver written decision letters within an average of one week of the hearing. BOZA staff also transmits the hearing results to the Development Center staff electronically so that permits may be issued as soon as possible.

Two Tiered Discretionary Hearings Eliminated: In July of 1998, the Council approved a change that allows special use applications to proceed directly to BOZA instead of also being reviewed by the City Plan Commission. This eliminated one public hearing and has led to quicker decisions being made by the Board.

Citywide Zoning Code Revision: To insure that the city's regulatory processes are responsive to contemporary development needs, the Mayor and Common Council in 1998 approved funding to update, simplify and illustrate the city's zoning code. This initiative is being conducted with the assistance of the Department of City Development and should be delivered to the Common Council at the end of 2000 with implementation during 2001. An improved zoning code that meets contemporary development needs should result in fewer customers submitting appeals to BOZA.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	2.85	3.00	3.00	0.00
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	11	11	11	0
DLH - Operations and Maintenance	5,121	5,400	5,400	0
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$143,586	\$160,144	\$164,871	\$4,727
Fringe Benefits	12,312	31,623	32,150	527
Operating Expenditures	65,521	49,555	51,494	1,939
Equipment	140	0	0	0
Special Funds	0	0	0	0
TOTAL	\$221,559	\$241,322	\$248,515	\$7,193
REVENUES				
Charges for Services	\$203,098	\$175,000	\$154,000	\$-21,000
TOTAL	\$203,098	\$175,000	\$154,000	\$-21,000
CAPITAL PROJECTS - None				

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Administrative Specialist (Operating Funding \$-40,159)] Reclassification.
1	1.00	Secretary, Board of Zoning Appeals (Operating Funding \$37,274)	
0	0.00	TOTAL	

SPECIAL PURPOSE ACCOUNT - INTERN PROGRAM

The Department of Employee Relations' Intern Program consists of a pool of five undergraduate and three graduate college student interns. Interns hired with funding from this account perform special projects for any requesting city department on an as-needed basis. However, interns hired by specific departments to perform routine and/or daily tasks are authorized and paid out of the employing department's operating budget. The number of interns hired through the Intern Program increased during 1999 to 1.9 FTE, after remaining constant throughout

1997 and 1998 at 1.6 FTE. In 2001, the Department of Employee Relations will work to further increase the number of interns hired through the Intern Program.

In 2001, the Department of Employee Relations will also continue to evaluate strategies for increasing minority participation in the Intern Program. Internships have proven to be one of the most successful strategies for providing real work experience for college graduates, and for expanding minority representation in the city's workforce.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
Total Positions Authorized	8	8	8	0
FTEs - Operations and Maintenance	1.90	2.30	2.30	0.00
DLH - Operations and Maintenance	3,419	4,160	3,500	-660
EXPENDITURES				
Salaries and Wages	\$27,973	\$34,154	\$42,915	\$8,761
Fringe Benefits	0	0	0	0
Services	0	0	0	0
TOTAL	\$27,973	\$34,154	\$42,915	\$8,761

SPECIAL PURPOSE ACCOUNTS SUMMARY

LINE DESCRIPTION	1999	2000	2001	CHANGE
	ACTUAL EXPENDITURES	ADOPTED BUDGET	ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
SPECIAL PURPOSE ACCOUNTS - MISCELLANEOUS				
AIDS Initiative	\$305,872	\$309,200	\$309,200	\$0
Alternative Transportation for City Employees	38,478	75,000	75,000	0
Annual Payment to DNR	7,034	7,100	7,100	0
Audit Fund	125,942	128,000	134,000	6,000
Boards and Commissions Reimbursement Expense	11,495	14,000	15,000	1,000
Board of Ethics	11,972	22,100	22,100	0
Brownfields Remediation Outside Council	0	0	50,000	50,000
BID #2 (Historic Third Ward) City Contribution	0	18,000	18,000	0
BID #2 (Historic Third Ward) Self-Supporting	241,662	200,000	200,000	0
BID #2 (Historic Third Ward) Loan Repayment	0	0	442,368	442,368
BID #3 (RiverWalk) Loan Repayment	15,766	23,649	31,531	7,882
BID #4 (Greater Mitchell Street) City Contribution	0	25,000	25,000	0
BID #4 (Greater Mitchell Street) Self-Supporting	109,599	84,599	93,770	9,171
BID #5 (Westown) City Contribution	0	18,000	18,000	0
BID #5 (Westown) Self-Supporting	94,315	76,315	84,637	8,322
BID #8 (Historic King Drive) City Contribution	0	21,000	21,000	0
BID #8 (Historic King Drive) Self-Supporting	123,922	108,553	119,632	11,079
BID #9 (739 N Water - RiverWalk) Loan Repayment	30,314	30,314	30,314	0
BID #10 (Avenues West) City Contribution	0	12,000	12,000	0
BID #10 (Avenues West) Self-Supporting	112,117	106,114	113,056	6,942
BID #11 (Brady St Business Area) Self-Supporting	77,698	37,471	53,250	15,779
BID #11 (Brady St Business Area) Loan Repayment	0	58,698	58,698	0
BID #13 (Oakland Avenue) Loan Repayment	0	30,791	24,355	-6,436
BID #13 (Oakland Avenue) Self-Supporting	49,936	19,209	30,645	11,436
BID #15 (RiverWalk) Self-Supporting	10,000	10,000	5,000	-5,000
BID #15 (RiverWalk) City Contribution	0	40,000	40,000	0
BID #15 (RiverWalk) Loan Repayment	0	0	424,301	424,301
BID #16 (Uptown Triangle) Loan Repayment	0	43,194	43,194	0
BID #16 (Uptown Triangle) Self-Supporting	54,594	12,183	38,341	26,158
BID #17 (Northwest Area Business) Loan Repayment	0	16,537	16,537	0
BID #17 (Northwest Area Business) Self-Supporting	33,435	16,897	25,740	8,843
BID #19 (Villard) Loan Repayment	0	24,100	24,100	0
BID #19 (Villard) Self-Supporting	87,504	64,134	72,957	8,823
BID #20 (North Ave/Prospect/Farwell) Self-Supporting	120,392	78,834	93,134	14,300
BID #20 (North Ave/Prospect/Farwell) Loan Repayment	0	40,392	40,392	0
BID #21 (Downtown Mgmt District) Self-Supporting	1,801,853	1,766,853	2,025,167	258,314
BID #21 (Downtown Mgmt District) City Contribution	0	35,000	35,000	0
BID #22 (Edgewood/Oakland) Self-Supporting	4,441	4,440	4,884	444
BID #24 (Center St/33rd - 60th St) Self-Supporting	0	138,000	0	-138,000
BID #25 (Capitol Dr/River Works) Self-Supporting	0	50,000	152,249	102,249
BID #26 (The Valley) Self-Supporting	0	30,000	32,369	2,369
BID #27 (Burleigh/Sherman) Self-Supporting	0	25,000	0	-25,000
BID 35th/North Avenue Self-Supporting	0	0	50,000	50,000
BID Fond du Lac/North Avenue Self-Supporting	0	0	50,000	50,000
BID 47th St/West Vliet Self-Supporting	0	0	50,000	50,000
BID Teutonia/Capitol/Atkinson Self-Supporting	0	0	50,000	50,000

SPECIAL PURPOSE ACCOUNTS SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
BIDs				
Self-Supporting	\$2,921,468	\$2,828,602	\$3,344,831	\$516,229
City Contribution	0	169,000	169,000	0
Loan Repayment	<u>46,080</u>	<u>267,675</u>	<u>1,135,790</u>	<u>868,115</u>
Total BIDs	\$2,967,548	\$3,265,277	\$4,649,621	\$1,384,344
Cable TV Franchise Regulation	\$0	\$50,000	\$0	\$-50,000
Care of Prisoners Fund	170,528	201,900	175,000	-26,900
Canadian American Police Games	0	25,000	0	-25,000
Census 2000	0	165,000	0	-165,000
City Archives	36,896	0	0	0
City Attorney Collection Contract	848,383	525,000	1,000,000	475,000
City Board Ups	0	0	0	0
Citywide E-mail Upgrades	130,880	0	0	0
C/CJIS Administration	0	42,350	0	-42,350
Clerk of Court - Witness Fees Fund	14,870	15,000	15,000	0
Constituent Service Referral System	0	40,000	50,000	10,000
Contribution Fund - General	0	675,000	675,000	0
Convention and Travel Expense Fund	30,923	55,000	55,000	0
Corporate Database	4,808	100,000	0	-100,000
Damages and Claims Fund	1,186,349	1,900,000	1,500,000	-400,000
Delinquent County Taxes	5,519,145	4,900,000	0	-4,900,000
DOA/Municipal Court Study	8,200	0	0	0
Drug Testing	4,901	8,500	8,500	0
E-Gov Citizen Response System	0	0	150,000	150,000
Economic Development Committee Fund	22,096	25,000	25,000	0
Employee Training Fund	58,240	74,500	74,500	0
Environmental Contamination Fund	6,808	0	0	0
Environmental Remediation Fund	29,009	350,000	0	-350,000
Equipment Cost Offset - CSD	26,717	0	0	0
Equipment Cost Offset - Sewer Maintenance Fund	51,190	61,250	0	-61,250
Excess TID #19 Funds	0	0	500,000	500,000
Facade Improvement Program	44,906	20,000	20,000	0
Firemen's Relief Fund	72,641	77,575	78,000	425
Flexible Spending Account	38,754	46,500	30,000	-16,500
FMIS Maintenance Upgrade	8,815	0	0	0
FSA Dependent Care Account	230,096	245,000	0	-245,000
FSA Medical Care Account	202,586	215,000	0	-215,000
Graffiti Abatement Fund	186,188	145,000	145,000	0
Grants and Aids - Current Levy	0	0	5,000	5,000
Group Life Insurance Premium	2,203,181	2,217,000	2,217,000	0
Handgun Violence Media Campaign	0	50,000	50,000	0
Insurance Fund	327,890	400,000	450,000	50,000
Long Term Disability Insurance	422,613	425,000	425,000	0
Low Interest Mortgage Loan Program	2,808	18,000	10,000	-8,000
Maintenance of Essential Utility Services	62,856	75,000	75,000	0
Memberships, City	115,696	123,760	127,000	3,240
Milwaukee Arts Board Projects	188,688	192,000	217,000	25,000
Milwaukee Fourth of July Commission	129,705	130,000	130,000	0
Municipal Court Commissioner Project	53,925	0	0	0
Municipal Court Information System Study	0	0	100,000	100,000
Municipal Court Intervention Program	343,226	393,652	393,652	0

SPECIAL PURPOSE ACCOUNTS SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Neighborhood Cleanup Initiative	0	0	70,000	70,000
NetWare Security Upgrade	60,040	0	0	0
NetWare 5.1 Operating System Upgrade	0	0	0	0
Outside Council/Expert Witness Fund	471,067	250,000	500,000	250,000
Pabst Theater Board Fund	150,000	150,000	150,000	0
Pabst Theater Rent Fund	10,000	10,000	10,000	0
Parking Fund Enforcement Payment	0	2,107,691	0	-2,107,691
Professional Services Automation System	0	0	0	0
Razing and Vacant Building Protection Fund	2,088,742	2,000,000	2,000,000	0
Reimbursable Services Advance Fund	0	50,000,001	50,000,001	0
Less Recover Reimbursable	0	-50,000,000	-50,000,000	0
Remission of Taxes Fund	953,146	500,000	500,000	0
Reserve for 27th Payroll	1,200,000	1,665,000	1,820,000	155,000
Retirees Benefit Adjustment Fund	601,271	886,000	417,000	-469,000
River Skimmer	30,000	0	0	0
Safety Glasses	19,075	26,000	26,000	0
Seminar Fund	12,265	20,000	20,000	0
Sewer Maintenance	40,000	30,000	49,000	19,000
MMSD User Charge	0	37,286,350	33,476,216	-3,810,134
Less Recover - MMSD	0	-37,286,349	-33,476,215	3,810,134
Solid Waste Fund - City Contribution	0	0	27,085,837	27,085,837
Tuition Reimbursement Fund	698,797	700,000	700,000	0
Unemployment Compensation Fund	630,515	775,000	775,000	0
Wages Supplement Fund	0	18,555,000	19,938,000	1,383,000
Wisconsin League of Municipalities Meetings	900	6,500	6,500	0
Year 2000 Production Testing	0	70,700	0	-70,700
Year 2000 Compliance Project	<u>70,252</u>	<u>40,000</u>	<u>0</u>	<u>-40,000</u>
Total Miscellaneous SPAs	\$23,288,928	\$45,599,557	\$68,030,012	\$22,430,455
 Board of Zoning Appeals	 \$221,559	 \$241,322	 \$248,515	 \$7,193
Workers' Compensation Fund	5,820,273	5,480,000	6,060,000	580,000
Employee Health Care Benefits				
Claims	\$18,728,197	\$18,780,000	\$22,100,000	\$3,320,000
HMO	29,465,812	31,200,000	36,000,000	4,800,000
Dental Insurance	2,589,570	2,300,000	2,500,000	200,000
Administration Expenses	652,623	710,000	710,000	0
Cost Containment Program	<u>458,836</u>	<u>300,000</u>	<u>300,000</u>	<u>0</u>
Employee Health Care Subtotal	\$51,895,038	\$53,290,000	\$61,610,000	\$8,320,000
 Intern Program	 \$27,973	 \$34,154	 \$42,915	 \$8,761
Deferred Compensation	<u>912,766</u>	<u>1,220,740</u>	<u>1,015,087</u>	<u>-205,653</u>
 GRAND TOTAL	 \$82,166,537	 \$105,865,773	 \$137,006,529	 \$31,140,756

CITY TREASURER

EXECUTIVE SUMMARY

MISSION:	To fulfill the duties and responsibilities of the independently, citywide elected City Treasurer, who serves as the chief investment and revenue collection officer of the City of Milwaukee, as set forth in Wisconsin State Statutes, the City of Milwaukee Charter and Code of Ordinances, and Common Council Resolutions.
STRATEGIC ISSUES:	<p>Fulfill the mission of the City Treasurer Department in an environment of fiscal constraint.</p> <p>Utilize technology wherever feasible and cost justified to compile and to transfer needed information.</p> <p>Provide quality services to customers.</p>
INITIATIVES FOR 2001:	Implement an Automated Clearing House (ACH) debit payment option for property tax installment payments.

BACKGROUND

The City Treasurer is one of 24 elected officials within Milwaukee's municipal government. Under authority provided by the Wisconsin State Statutes and the Milwaukee City Charter, the Office of the City Treasurer receives and accounts for all monies paid to the city, makes disbursements vouchered for payment by the Comptroller, invests city funds that are not needed to meet current expenditures, collects current property taxes and delinquencies for all six tax levies within the City of Milwaukee, settles property tax

collections on a pro-rata basis, and remits to each taxing jurisdiction their share of the monies collected.

One of the most important functions performed by the Treasurer's Office is the investment of city funds that are not needed immediately to meet current expenditures, i.e.: property taxes and lump sum revenue payments such as State Shared Revenue. In making investment decisions, the Treasurer's Office considers the safety, liquidity, and rate of return of various investment instruments. The City Treasurer's 2001 budget totals \$2,967,821.

OBJECTIVE 1

Fulfill its mission to the satisfaction of the Milwaukee electorate as measured by the rate of return on city investments and the cost of tax collection services.

OUTCOME HISTORY

The City Treasurer is responsible for investing available city fund balances. These balances consist of tax dollars collected and revenues received, including State Shared Revenue and various fines and fees. Since the city's cash flow requirements do not always equal the current fund balance, the city invests any

Outcome Indicators and Funding			
	1999 Experience	2000 Budget	2001 Projection
Rate of return on investments.	5.84%	5.05%	5.51%
Cost of tax collection as a percent of taxes collected.	0.25%	0.35%	0.27%
Cost of delinquent tax collection as a percent of reduction in delinquent taxes receivable.	1.49%	2.50%	1.89%
Funding by Source:			
Operating Funds	\$2,797,078	\$2,889,185	\$2,967,821
Special Purpose Accts.	5,519,145	4,900,000	0
Total:	\$8,316,223	\$7,789,185	\$2,967,821

funds that are not needed immediately into low-risk investments. In turn, earnings from these investments are used to reduce the tax levy.

The rate of return is a critical component in determining the amount of investment earnings. Even though certain constraints apply to the investment of city funds, the Treasurer has obtained rates of return ranging between 5.84% and 6.18% under current market conditions during the period of 1995-1999. As shown in Figure 1, this has translated into city general fund investment revenue of \$6.65 million in 1999.

The primary goal of the Treasurer is to maximize the city's rate of return, while ensuring the safety of invested funds. Figure 2 shows the city's rate of return from 1995 through the estimated 2001 rate of return. The city's rate of return is compared to that of the State of Wisconsin Local Government Investment Pool (LGIP), which serves as a "benchmark" for measuring investment performance.

Although the city has consistently received rates of return on its investments that are higher than the LGIP, the annual amount of investment revenue earned has continued to decrease since 1995. This decrease in investment revenue is primarily attributed to declining average investment balances in the general fund (see Figure 3). For various reasons, the city has had fewer funds available for investment purposes. In 1999, the city obtained a higher average rate of return for investments, however, the overall investment revenue for 1999 decreased from 1998 by \$1.4 million due to a lower average fund balance available for investment. In 2001, the total city investment revenue is projected to be \$6.34 million, with \$4.23 million being credited to the general fund and \$2.11 million to the Public Debt Amortization Fund. This projection is based on both a lower average investment balance and a lower rate of return. In 2001, the City Treasurer will dedicate \$8.6 million of its resources to accomplishing this objective.

Figure 1

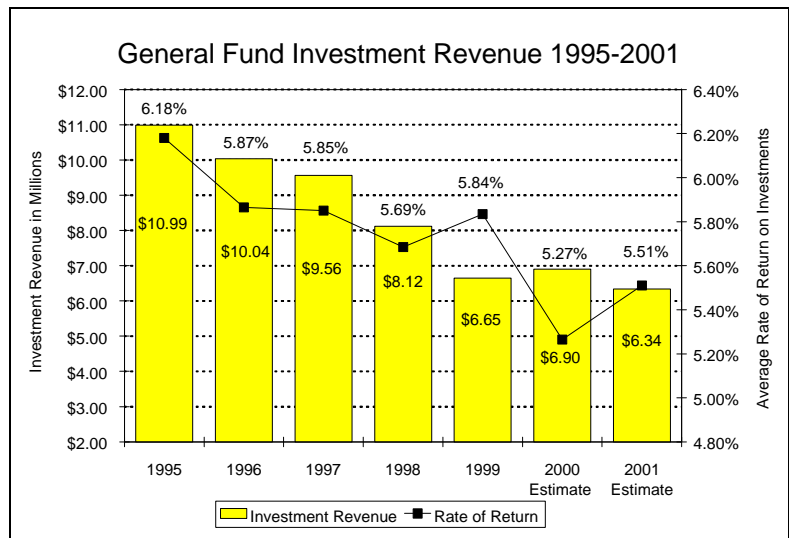


Figure 2

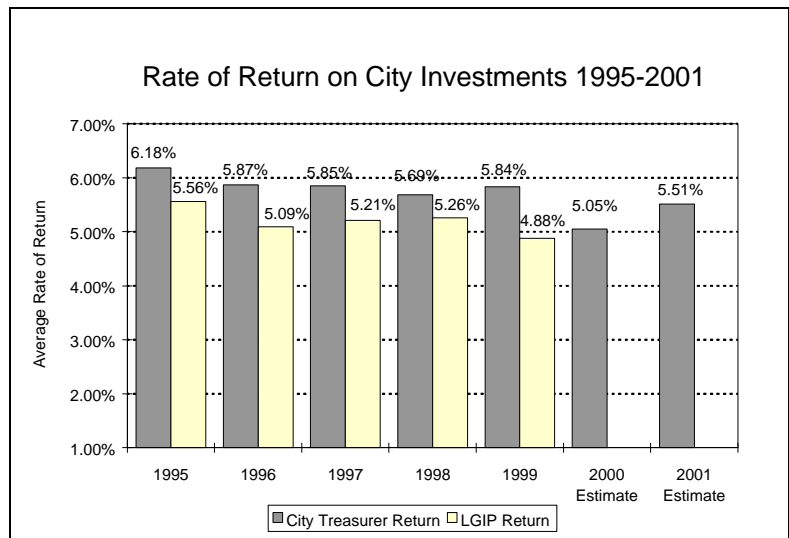
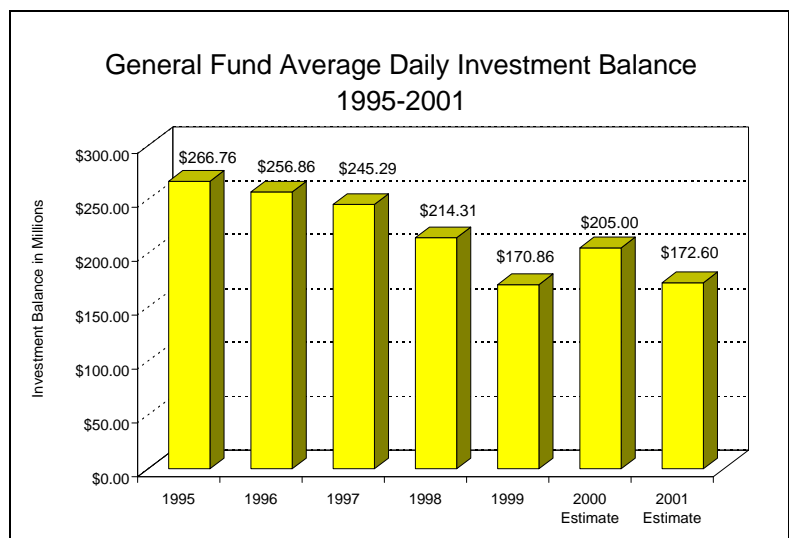


Figure 3



ACTIVITIES

- Receive and account for all monies paid to the city
- Make disbursements that have been vouchered for payment by the City Comptroller
- Invest city funds not needed immediately to meet current expenditures
- Collect property taxes and delinquent taxes of all six levies within the city

PROGRAM CHANGES

Automated Clearing House Debits: In 2001, the City Treasurer's Office will implement an Automated Clearing House (ACH) debits for property tax installment payments. The ACH debit payment plan will allow taxpayers who qualify for the installment plan to choose to pay their installments through the convenience of a monthly automated debit from either their checking or savings account.

Position Changes: The City Treasurer's 2001 budget includes an additional position of Customer Service Representative II in the Delinquent Tax Collection Unit of the Collection Division. This position will address the filing of bankruptcy claims on delinquent real estate and personal property tax accounts. In addition, the position will be used to pursue legal action against delinquent tax accounts. The budget also includes a new unfunded auxiliary position of Investments and Financial Services Coordinator, which may be filled during 2001 to address workload issues in the Administration Division of the department.

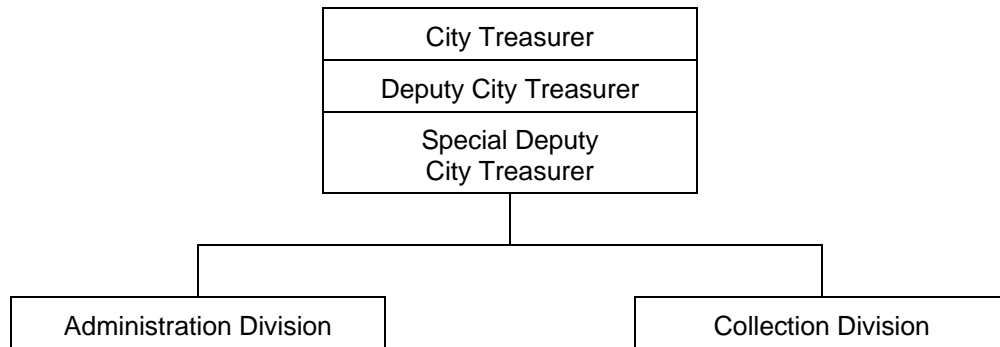
County Delinquent Tax Fund: In 2001, the Delinquent County Taxes and Tax Certificates Purchases Special Purpose Account will be eliminated. Funding for the county's delinquent taxes will be moved to an enterprise fund totaling \$5,650,000. The new County Delinquent Taxes Fund will be revenue-offset from the collection of delinquent taxes.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	32.30	35.90	36.18	0.28
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	65	65	67	2
DLH - Operations and Maintenance	57,621	63,835	65,124	1,289
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$1,421,782	\$1,504,625	\$1,613,190	\$108,565
Fringe Benefits	445,489	487,820	532,353	44,533
Operating Expenditures	873,687	853,770	797,040	-56,730
Equipment	0	0	0	0
Special Funds	56,120	42,970	25,238	-17,732
TOTAL	\$2,797,078	\$2,889,185	\$2,967,821	\$78,636
REVENUES				
Charges for Services	\$167,800	\$172,785	\$130,070	\$-42,715
Licenses and Permits	29,900	25,300	28,200	2,900
Taxes and Payment in Lieu of Taxes	3,500	3,500	4,928	1,428
Miscellaneous	12,800	0	12,800	12,800
TOTAL	\$214,000	\$201,585	\$175,998	\$-25,587

CAPITAL PROJECTS - None

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
0	-0.30	Various Positions (Operating Funding \$-3,600)	Overtime compensation adjustment.
0	-0.42	Various Positions (Operating Funding \$-10,545)	Adjustment reflects anticipated vacancies.
1	1.00	Customer Service Representative II (Operating Funding \$26,365)	New position created to address workload for bankruptcy claims.
1	0.00	Investments and Financial Services Coordinator (Operating Funding \$0)	Creation of unfunded auxiliary position.
2	0.28	TOTAL	

FRINGE BENEFIT OFFSET

Employee fringe benefit costs are appropriated in various special purpose accounts. In addition, department operating budgets include an estimated employee fringe benefit factor in order to reflect the total cost of department operations. In prior years this second appropriation, or “double” budget, was offset by a “paper” revenue to avoid levying twice

for employee benefits. The 2001 budget offsets the second, or “double” budget, with a budget offset, as opposed to a revenue offset. This approach avoids overstating the total city budget by the fringe benefit factor, which in 2001 amounts to approximately \$81.3 million.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Fringe Benefit Offset	\$-72,556,232	\$-71,952,616	\$-81,301,495	\$-9,348,879

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

EXECUTIVE SUMMARY

PURPOSE: To determine the amount of resources needed to support city services and to evaluate the most appropriate revenue stream for recovering costs, including general government revenue, user fees, and local taxes.

STRATEGIC ISSUES: In an ever-competitive economy, local tax policy can be an important factor in decisions concerning residential and business investment. For Milwaukee to grow and prosper, local tax policies should not impede the expansion of the local economy.

Structural changes in the economy, originating well beyond the city's borders, are impacting Milwaukee's fiscal environment. These changes have influenced, among other things, job trends in the city, tax base growth, and income trends. It is expected that structural change in the broader macro-economy will continue to influence fiscal conditions in Milwaukee well into the future.

INITIATIVES FOR 2001: Limit the tax burden on local property owners by further diversifying the city's revenue base.

BACKGROUND

A variety of revenue sources support the general city purpose budget (see Figure 1). The largest of these, intergovernmental revenues and the property tax levy, together account for nearly three-fourths of total revenue for general city purposes. Nearly 50.2% of these revenues is in the form of State Shared Revenue. And, this revenue source has been frozen since 1995. To address this problem, the city began to explore alternative funding sources in the late 1990's. The revenue diversification planning initially centered on the need to balance property taxes with other revenue options. Significant diversification of the revenue base began with the implementation of a Sewer Maintenance Fee in 1998.

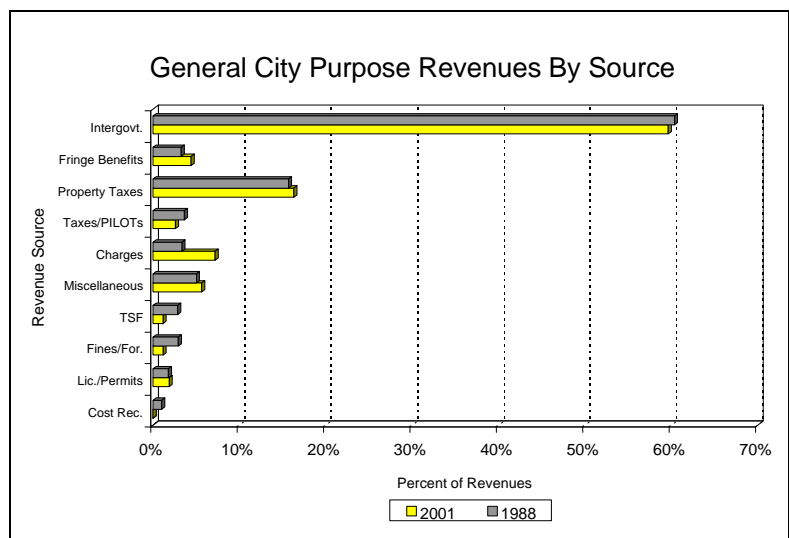
With a policy to hold the line on property taxes, less State Shared Revenue has increased the city's efforts to look not only at expenditure cuts but also at alternative funding sources. If new revenue options were not considered, the city could only resort to severe service cuts.

To illustrate the shared revenue problem, consider a scenario where shared revenue grew at a rate of 2%

annually from 1995 to the present. The city's shared revenue payment would be \$28.3 million higher than the amount received in 1995 and \$16.9 million higher than the \$235.8 million included in the 2001 budget.

This \$16.9 million is roughly equivalent to the amount of funding for the Health Department and Municipal Court.

Figure 1



Over all, actual general city purpose revenues have increased since 1994 but have grown at a rate less than inflation (see Figure 2). As a result, revenues have decreased in "real" or inflation-adjusted terms. At the same time, costs continue to rise in response to the effects of inflation.

The 2001 general city purpose budget is \$467.5 million; an increase of \$16.6 million over the 2000 adopted budget.

In 2001, total revenues are expected to increase by 3.7% over 2000 estimated levels, 0.9% above the projected rate of inflation for 2001 of 2.8%. A combination of expenditure reductions, new fees, and a property tax increase were used to maintain a balanced budget.

Intergovernmental Revenue: These revenues include funding received from other governmental jurisdictions, state and federal aid formulas, grants, and other program-specific government aid. From 1990, intergovernmental revenues have experienced steady, though moderate, annual growth through 1998. Unfortunately, since 1998 the city has experienced declining intergovernmental revenue in 1999 and 2001.

The 1999-2000 State of Wisconsin budget increased funding for transportation aids and the expenditure restraint program. The city will receive \$1.7 million in transportation aids and \$1.3 million in expenditure restraint program revenue above the initial 2000 projected revenues for these programs.

In 2001, the State of Wisconsin funding for aid programs, including shared revenue, are frozen. In "real" or inflation-adjusted dollars, intergovernmental revenues have fallen from 1992 to 2000 (see Figure 3).

For the 2001 budget, intergovernmental revenues total \$278.7 million. Of this amount, \$235.8 million will consist of State Shared Revenues, \$0.4 million less than received in 2000. This represents a decrease of 0.2% from the 2000 amount, a rate of change that fails even to keep pace with the current modest rate of inflation.

As indicated in Figure 1, the city relies heavily on intergovernmental revenues such as State Shared

Figure 2

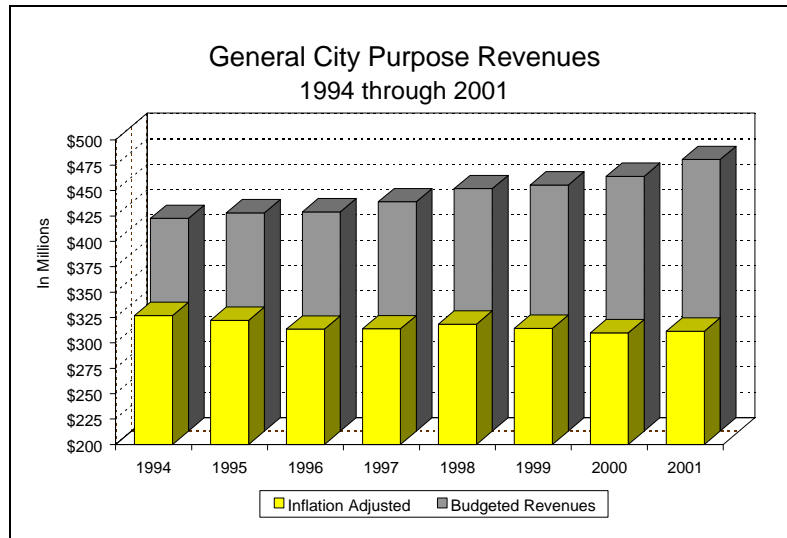
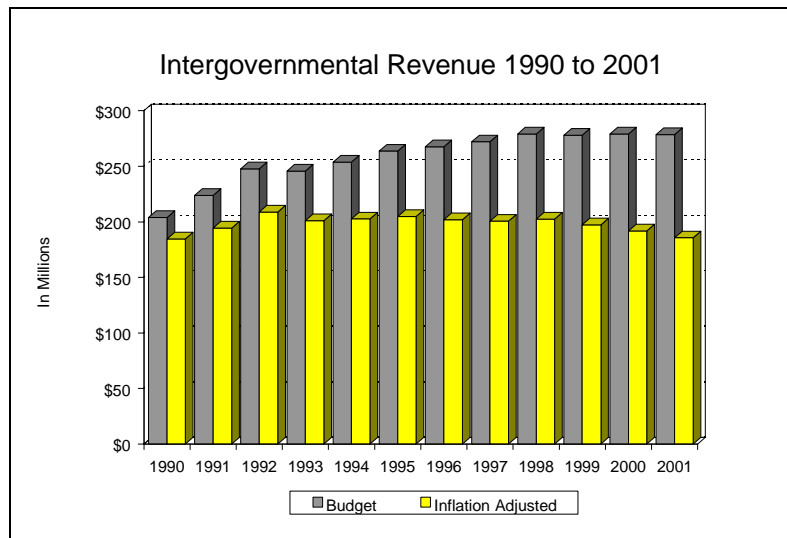


Figure 3



Revenue which make up the majority of general revenues. The shared revenue program is intended to equalize the ability of local governments to provide public services. Milwaukee receives a sizeable payment since it has proportionally lower levels of wealth as compared to other cities in the state. Unfortunately, the equalizing effects of the program are not always apparent. The current distribution of shared revenue is based, in part, on expenses. The higher the expenses, the higher shared revenue. This type of distribution promotes inefficiency and higher property taxes. The Kettl Commission, a State of Wisconsin commission, is currently studying this issue.

Property Taxes: The property tax levy will provide \$76.3 million in revenue for the general city purposes

budget in 2001. This represents an increase of \$20.9 million from the 2000 levy.

Taxes and Payments in Lieu of Taxes: The 2001 budget includes an estimated \$12.1 million in revenue attributable to taxes and payments in lieu of taxes (PILOTs). These funds include revenues raised by non-property tax levies; occupation taxes; trailer park taxes; tax incremental district close-out revenue; principal, interest, and penalties on delinquent taxes; property tax adjustments; and payments from property tax exempt governmental entities for city services. Revenue from 2001 taxes and PILOTs represents a net increase of \$1.2 million from the final estimates contained in the 2000 budget. Most of this increase is attributable to the closing of TID #19.

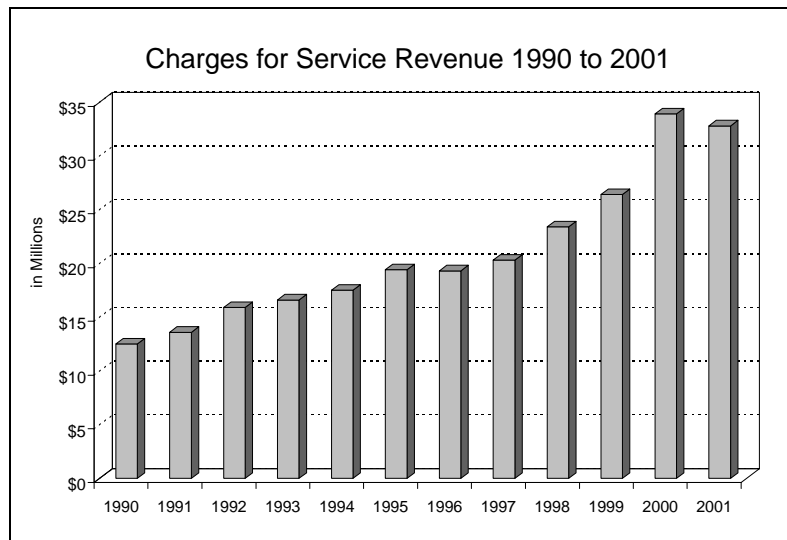
Charges for Services: The 2001 budget includes \$33.6 million in revenue from charges for services. This source of general city purpose funding encompasses revenue received for services provided by city operating departments. Public works charges are the largest component, accounting for almost one-third of this revenue source. Charges for services revenue has increased almost every year since 1990 (see Figure 4).

Miscellaneous Revenues: Miscellaneous revenue includes transfers from the Parking Fund, interest on investments, funds from the sale of surplus property, real estate property sales, several spending offset accounts, and other revenues not included in any other category. For 2001, these revenues are expected to total \$26.3 million.

Citation revenues will pass through the Parking Fund and will now be received by the General Fund as a transfer payment from the Parking Fund. Since these funds are a transfer payment, they more appropriately are classified as miscellaneous revenue. This change will appear as a \$15 million increase in miscellaneous revenues with a corresponding \$15 million decrease in fines and forfeitures.

The Parking Fund will provide a payment to the General Fund that is equal to the net revenue generated from parking citations. In 2001, DPW collected citation revenue will first pass through the Parking Fund to allow for payment of citation processing cost before making their way back to the General Fund in

Figure 4



a net revenue form. It includes revenue increases over the 2000 estimate for the following reasons:

1. A citation fee will be charged to recover citation-processing costs through the application of an increase in fines by \$3. This is expected to generate \$2.6 million.
2. The addition of twenty Parking Checkers - \$1.7 million.

Transfer of the Parking Checker function from the Police to DPW was completed in 2000. Checker productivity has increased from approximately 50 citations per day while in the Police Department, to over 76 per day in DPW. This productivity gain was unfortunately offset through reduced citations written by Police Officers.

Two-thirds of the interest on the city's unrestricted investments is counted as general city purpose revenue (one-third accrues to the Public Debt Amortization Fund). For 2001, a 5.51% rate of return on unrestricted investments of approximately \$172.6 million is assumed. This translates into \$6.3 million in general city purpose revenue (two-thirds of the \$9.5 million in estimated interest earnings), down \$0.9 million from the budget adopted for 2000.

Fines and Forfeitures: Revenue of \$5.5 million related to fines and forfeitures is included in the 2001 budget. Fines and forfeitures include payments received from individuals as penalties for violating municipal laws.

Licenses and Permits: Revenue from licenses and permits in 2001 is estimated at \$8.8 million. These funds include charges for legal permission to engage in a business, occupation, or other regulated activity.

Fringe Benefits: Beginning in 1999, the budget no longer contained a fringe benefit offset as a revenue for general city purpose funded positions. The offset instead will be included on the appropriation side of the budget. A fringe benefit offset will continue to be provided for positions funded with reimbursable, enterprise, and capital funding.

A fringe benefit revenue will be received by the General Fund from the creation of the Solid Waste Fee. The fringe benefit increase due to the creation of the Solid Waste Fund will be \$4.8 million.

Cost Recovery: Cost Recovery Funds do not represent an actual revenue to the city. They offset tax levy funds included in departmental equipment rental accounts to pay the depreciation portion of internal service agency charges.

Tax Stabilization Fund: The Tax Stabilization Fund (TSF) is used to accumulate unexpended appropriations and revenue surpluses. A total of \$4.3 million was transferred into the fund at the end of 1999. The purpose of the fund is to assist in stabilizing the city's tax rate and to protect citizens from tax rate fluctuations that can result from failure to capture accurate property values in non-reassessment years and erratic variations in non-property tax revenues.

The balance in the fund (as of April 15, 2000) totals \$19.4 million, of which a maximum of \$18.6 million was available for withdrawal. The TSF withdrawal for 2001 totals \$5.5 million, leaving a balance of \$13.9 million. A total of \$6.5 million is anticipated to regenerate into the fund at the close of 2000, leaving a balance of \$20.4 million in the fund. The city also anticipates a repayment of \$5 million for pension related expenses. If this payment is received by December 31, 2000, the TSF will have a year end balance of \$25.4 million. The 2001 withdrawal represents 28.3% of the available fund balance and a decrease of \$5.8 million from 2000 levels.

2. SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	1999 ACTUAL EXPENDITURE	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
REVENUES IN DOLLARS				
TAXES AND PAYMENTS IN LIEU OF TAXES				
Housing Authority	\$967,610	\$960,000	\$960,000	\$0
Parking	1,052,583	1,200,000	1,133,500	-66,500
Water Services Division	7,010,110	7,800,000	8,040,000	240,000
Trailer Park Taxes	127,453	120,000	125,000	5,000
Occupational Taxes	3,992	3,500	4,900	1,400
Payment in Lieu of Taxes - Other	299,416	200,000	170,000	-30,000
Interest/Penalties on Taxes	659,892	621,200	629,200	8,000
Other Taxes	161,196	0	350,000	350,000
TID Excess Revenue	<u>0</u>	<u>0</u>	<u>700,000</u>	<u>700,000</u>
TOTAL TAXES	\$10,282,252	\$10,904,700	\$12,112,600	\$1,207,900
LICENSES AND PERMITS				
LICENSES				
Amusement Dance/Music	\$416,008	\$305,000	\$400,000	\$95,000
Bicycle	5,006	2,600	0	-2,600
Dog and Cat	29,877	30,000	28,200	-1,800
Electrical	0	0	0	0
Food - Health Department	880,945	1,000,000	1,109,600	109,600
Health Department-Non-Food	179,566	26,200	28,600	2,400
Lead Abatement	0	0	0	0
Liquor and Malt	910,550	915,000	900,000	-15,000
Rooming House	0	0	0	0
Scales	149,273	228,000	180,000	-48,000
Stationary Engineer	0	0	0	0
Miscellaneous	0	0	0	0
Miscellaneous - City Clerk	16,416	202,000	22,000	-180,000
Miscellaneous - Dept of Neighborhood Services	111,629	278,500	266,400	-12,100
Miscellaneous - DPW-Administration	9,879	9,200	9,900	700
Asbestos Removal	0	0	0	0
Commercial Scales/Meters	0	0	0	0
Service Station Licenses	0	0	0	0
Tire-Generators/Transporters	0	0	0	0
PERMITS				
Board of Zoning Appeals	\$203,098	\$154,000	\$154,000	\$0
Zoning Change Fees	47,000	21,000	30,000	9,000
Building	2,368,448	1,963,500	1,934,500	-29,000
Building Code Compliance	250,300	232,000	232,000	0
Covered Sidewalk Openings	0	0	0	0
Curb Space Special Privilege	25,070	76,200	26,000	-50,200
Driveways	0	0	0	0
Electrical	551,542	524,500	520,000	-4,500
Elevator	113,816	360,000	105,000	-255,000
Erosion Control	0	0	0	0
Occupancy	213,621	232,500	220,000	-12,500
Plan Exam - DCD	0	77,000	559,100	482,100
Plumbing	648,559	627,500	630,000	2,500
Sewer Connection	0	0	0	0
Sign and Billboard	70,156	121,100	80,000	-41,100
Special Events	99,826	122,000	103,000	-19,000
Special Privilege-Miscellaneous	0	0	0	0
Sprinkler Inspection	444,158	350,000	55,000	-295,000
Use of Streets-Excavating	721,269	493,000	675,000	182,000
Use of Streets-Surface	0	0	0	0

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	1999 ACTUAL EXPENDITURE	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Miscellaneous	0	0	0	0
Miscellaneous - Dept of Neighborhood Services	46,574	51,100	43,300	-7,800
Miscellaneous - DPW	222,984	82,000	215,800	133,800
Special Privilege-Misc City Clerk	9,316	0	14,500	14,500
Special Privilege-Misc Dept of Neigh Services	<u>251,254</u>	<u>275,000</u>	<u>275,000</u>	<u>0</u>
TOTAL LICENSES AND PERMITS	\$8,996,140	\$8,758,900	\$8,816,900	\$58,000
INTERGOVERNMENTAL REVENUE				
State Shared Revenues-Fire Insurance Premium	\$558,171	\$595,000	\$600,000	\$5,000
Health-Fire Inspection Aid	0	25,400	24,000	-1,400
Local Street Aids	27,144,867	27,700,000	27,700,000	0
Payment for Municipal Services	1,942,433	1,830,000	1,800,000	-30,000
State Payments-Police	535,835	530,000	650,600	120,600
State Shared Revenue (General)	240,471,957	236,192,000	235,800,000	-392,000
Expenditure Restraint Aid	7,223,807	8,677,000	7,750,000	-927,000
Other State Payments	7,034	7,100	7,100	0
Computer Exemption Aid	<u>0</u>	<u>3,500,000</u>	<u>4,400,000</u>	<u>900,000</u>
TOTAL INTERGOVERNMENTAL REVENUES	\$277,884,104	\$279,056,500	\$278,731,700	\$-324,800
CHARGES FOR SERVICES				
GENERAL GOVERNMENT				
Board of Standards and Appeals	\$0	\$0	\$0	\$0
Board of Zoning Appeals	0	0	0	0
City Attorney	441,155	294,800	424,820	130,020
Dept of Employee Relations (DER)	362,947	372,200	282,700	-89,500
City Treasurer	213,088	179,385	121,800	-57,585
Common Council-City Clerk	21,747	27,500	24,500	-3,000
Comptroller	196,446	176,400	100,000	-76,400
BID Assessment	2,886,525	3,096,277	4,480,621	1,384,344
Deferred Compensation	1,011,457	1,220,740	1,015,087	-205,653
Election Commission	20,341	28,300	17,600	-10,700
Municipal Court	1,265,840	1,131,300	1,312,300	181,000
Public Debt Commission	216,906	188,000	245,000	57,000
Assessor	1,028	29,400	500	-28,900
Department of City Development	75,496	455,000	555,500	100,500
Department of Administration	65,573	797,550	511,294	-286,256
Telecommunications Franchise Fees	3,008,840	3,100,000	3,100,000	0
MPS Service Charges	3,529,117	3,579,100	3,234,869	-344,231
Department of Neighborhood Services	1,743,369	1,707,000	1,885,500	178,500
Building Razing	1,171,176	1,835,000	1,300,000	-535,000
Fire Prevention Inspections	1,018,226	1,060,800	1,020,000	-40,800
Essential Services	54,809	75,000	55,000	-20,000
Fire Department	1,217,270	1,235,000	1,300,000	65,000
Paramedic Program	4,411,311	0	0	0
Police Department	260,481	257,000	251,000	-6,000
DPW-Buildings and Fleet	2,725,143	2,551,000	2,965,000	414,000
DPW-Forestry	198,673	206,000	210,000	4,000
Harbor Commission	2,309,853	2,220,060	2,226,008	5,948
DPW-Administrative Service	593,736	365,000	536,800	171,800
Sanitation	569,144	754,000	0	-754,000
Apartment Garbage Collection	445,621	583,000	814,224	231,224
Infrastructure Services	3,382,685	3,027,400	2,566,800	-460,600
Health Department	1,375,307	929,300	954,700	25,400
Public Library	490,161	460,000	470,800	10,800
County Federated System	1,793,091	1,735,500	1,654,200	-81,300
Department Central Services Cost Recovered	<u>0</u>	<u>234,300</u>	<u>0</u>	<u>-234,300</u>
TOTAL CHARGES FOR SERVICES	\$37,076,562	\$33,911,312	\$33,636,623	\$-274,689

SOURCE OF FUNDS FOR GENERAL CITY PURPOSES

	1999 ACTUAL EXPENDITURE	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
FINES AND FORFEITURES				
Department of Public Works	\$12,362,072	\$13,800,000	\$0	\$-13,800,000
Municipal Court	<u>5,332,461</u>	<u>5,506,000</u>	<u>5,510,000</u>	<u>4,000</u>
TOTAL FINES AND FORFEITURES	\$17,694,533	\$19,306,000	\$5,510,000	\$-13,796,000
MISCELLANEOUS REVENUES				
Parking Fund Transfer	\$0	\$0	\$15,041,085	\$15,041,085
Interest on Temporary Investments	5,576,829	7,200,000	6,300,000	-900,000
Telecommunications Excess Franchise Fee	0	0	0	0
BID Assessment	0	0	0	0
Interest on Sewer User Charges	0	0	0	0
Contributions	652,115	675,000	675,000	0
DOA Property Sales	211,503	563,000	186,000	-377,000
DCD Property Sales	30,113	50,000	50,000	0
DPW-Buildings and Fleet Division - Rent	431,045	379,300	223,000	-156,300
Comptroller - Rent	138,627	138,300	138,300	0
DCD - Rent	350,061	250,000	250,000	0
Other Miscellaneous	961,853	0	58,000	58,000
Department Central Service Costs Recovered	0	0	0	0
Buildings Razing Assessments	0	0	0	0
LIMP Revenue	0	120,000	0	-120,000
Vacation of Streets and Alleys	0	0	0	0
Refuse Collection-Other Municipalities	0	0	0	0
Witness and Jury Fees	0	0	0	0
Recycling Program	0	0	0	0
Flexible Spending	510,367	460,000	0	-460,000
Equipment Rental - Sewer Services	0	0	0	0
Petroleum Tank Removal	0	0	0	0
Environmental Remediation	0	350,000	0	-350,000
Purchase of Milwaukee Co Delinquent Taxes	0	4,900,000	0	-4,900,000
Potawatomi	<u>0</u>	<u>3,380,000</u>	<u>3,380,000</u>	<u>0</u>
TOTAL MISCELLANEOUS REVENUE	\$8,862,513	\$18,465,600	\$26,301,385	\$7,835,785
FRINGE BENEFITS				
Fringe Benefit Offset	\$15,276,761	\$13,850,000	\$20,623,881	\$6,773,881
Operating	0	0	0	0
Reimbursable	0	0	0	0
Grant-in-Aid	0	0	0	0
Capital Improvements	0	0	0	0
Enterprise	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL FRINGE BENEFITS	\$15,276,761	\$13,850,000	\$20,623,881	\$6,773,881
COST RECOVERY				
Central Services	\$0	\$0	\$0	\$0
Sewer Maintenance	<u>4,903</u>	<u>36,000</u>	<u>10,000</u>	<u>-26,000</u>
TOTAL COST RECOVERY	\$4,903	\$36,000	\$10,000	\$-26,000
TOTAL GENERAL FUND REVENUE	\$376,077,768	\$384,289,012	\$385,743,089	\$1,454,077
Amount to be raised pursuant to 18-02-6	\$66,783,328	\$66,635,058	\$81,760,757	\$15,125,699
Less:				
Tax Stabilization Fund Withdrawal	\$12,820,000	\$11,250,000	\$5,500,000	\$-5,750,000
Property Tax Levy	<u>53,963,328</u>	<u>55,385,058</u>	<u>76,260,757</u>	<u>20,875,699</u>
TOTAL SOURCE OF FUNDS FOR GENERAL CITY PURPOSES	\$442,861,096	\$450,924,070	\$467,503,846	\$16,579,776

B. PROVISION FOR EMPLOYEES' RETIREMENT FUND

EXECUTIVE SUMMARY

PURPOSE:	To provide the means by which the city can track and monitor pension-related expenditures and resources.
STRATEGIC ISSUES:	Maintain the health of the fund in an era of increasing costs and variable earnings. Implement the global pension settlement.

BACKGROUND

The Employees' Retirement System (ERS) is responsible for administering the city's defined benefit pension plan for city employees and other members of the system. The system operates under the direction of the Annuity and Pension Board, a body of eight members (three elected by active system members, one by city retirees, three appointed by the President of the Common Council, and one, the City Comptroller, ex-officio). Retirement contributions for employees of the Milwaukee Metropolitan Sewerage District, the Wisconsin Center District, the Water Works, Milwaukee Public School Board (excluding teachers), and Milwaukee Area Technical College are borne by those respective governmental units and are not included in these appropriations. There are approximately 26,318 members in the system.

The Policemen's Annuity and Benefit Fund administers pensions for city police officers employed prior to 1947. There were 312 members as of August 2000.

Police officers who started working for the city after 1947 are covered by the Employees' Retirement System.

Funds in the Firemen's Pension Fund are provided for retired firefighters who were employed prior to 1947. This fund had 247 members as of August 2000. Firefighters who started working for the city after 1947 are members of the ERS.

The Former Town of Lake Employees' Retirement Fund provides retirement benefits to former Town of Lake employees that became city employees when the Town of Lake was annexed. At the present time there are five members.

The system also oversees the city's contribution for payment of the employer's share of social security tax.

ACTIVITIES

Annuity Contribution: In 2001, the city's share of employees' annuity contributions (5.5% of pay for general city employees and 7% for police officers, firefighters, and elected officials) will increase by approximately \$1.2 million from the 2000 budget. The increase is due to an increase in covered compensation. The annuity contribution is budgeted at \$20.2 million for 2001, with \$17.7 million supported by the tax levy and \$2.5 million supported by the Employers' Reserve Fund. The Employers' Reserve Fund is a new fund initiated in the 2001 budget and funded with assets generated from the dissolution of

the Fire and Police Survivorship Fund, a provision of the global pension settlement.

Social Security Payments: Social security payments in the 2001 budget will decrease by approximately \$42,000, or 0.27%, from 2000 budgeted levels.

Pension Fund Contribution: The 2001 budget assumes the conclusion of a global pension settlement. A provision of the global pension settlement is that the assets and liabilities of the Retirement Fund, Duty Disability Fund, Firemen and Policemen's Survivor

ship Fund, Firefighter's Heart and Lung Fund and Combined Fund be merged into one Combined Fund. These funds, as combined, have surplus assets; i.e., assets exceed liabilities. In this circumstance, the city's employer's pension contribution is not required. This has been the case since 1995. The 2001 budget also reflects the elimination of the city's contribution to the Fire & Police Survivorship Fund. This contribution is no longer required because the fund was dissolved as part of the global settlement.

Administration: In 2001, ERS administrative costs have increased by \$11.8 million compared to 2000, to a total of \$24.1 million. The increase in expenses is due to funding for global pension implementation amounting to \$6.2 million. Other attributing factors include an increase in salaries and wages associated with a new ERS administrative structure, and an increase in estimated money manager and investment fees.

Pension Supplement: The 2001 budget also includes a supplement increase to the Police Annuity and Benefit Fund and the Fire Annuity and Benefit Fund totaling \$2.5 million. The supplement is allocated between the funds based on the membership of each fund. The supplement is to be distributed according to a methodology determined by representatives of each fund, subject to approval by the Common Council and Mayor.

The supplement is funded by a \$2.5 million reduction in the tax levy supported annuity contribution, which in turn is funded by a \$2.5 million annuity contribution by the Employers' Reserve Fund. The Employers' Reserve Fund is funded through the dissolution of the Firemen and Policemen's Survivorship Fund, a component of the global pension settlement.

OTHER CHANGES

Lump-sum Contribution for Firemen's & Police Annuity and Benefit Fund (F&PABF): A total of \$2.5 million is provided for a one-time pension supplement to members of these funds. Because F&PABF members do not belong to the ERS, they

were not eligible to participate in the city's global pension settlement, nevertheless, the city has decided to provide this one-time supplement.

SUMMARY OF EXPENDITURES

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
BUDGETS				
Firemen's Pension Fund				
Employer's Pension Contribution	\$270,657	\$275,000	\$271,000	\$-4,000
Lump-Sum Supplement Contribution	<u>0</u>	<u>0</u>	<u>1,104,651</u>	<u>1,104,651</u>
SUBTOTAL	\$270,657	\$275,000	\$1,375,651	\$1,100,651
Policemen's Pension Fund				
Employer's Pension Contribution	\$344,042	\$100,944	\$229,109	\$128,165
Administration	97,733	105,194	110,300	5,106
Annuity Contribution	3,915	4,000	7,554	3,554
Lump-Sum Supplement Contribution	<u>0</u>	<u>0</u>	<u>1,395,349</u>	<u>1,395,349</u>
SUBTOTAL	\$445,690	\$210,138	\$1,742,312	\$1,532,174
Employees' Retirement Fund				
Employer's Pension Contribution	\$285,230	\$1,835,000	\$0	\$-1,835,000
Administration	4,175,001	12,320,437	24,112,175	11,791,738
Annuity Contribution-Tax Levy	19,042,596	19,014,050	17,702,290	-1,311,760
Annuity Contribution-Reserve Fund	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
SUBTOTAL	\$23,502,827	\$33,169,487	\$44,314,465	\$11,144,978
Social Security Tax	\$14,510,416	\$15,435,900	\$15,394,100	\$-41,800
Former Town of Lake Employees' Fund				
Employer's Pension Contribution	\$17,634	\$34,015	\$114,799	\$80,784
Firemen's Pension Fund	<u>31,191</u>	<u>31,200</u>	<u>31,200</u>	<u>0</u>
SUBTOTAL	\$48,825	\$65,215	\$145,999	\$80,784
TOTAL	\$38,778,415	\$49,155,740	\$62,972,527	\$13,816,787
REVENUES				
Charge to other Governments	\$4,331,959	\$3,795,307	\$0	\$-3,795,307
Fringe Benefits-Pensions	250,879	352,266	540,789	188,523
Charge to Pension Fund	0	8,337,318	23,989,175	15,651,857
Property Tax Levy	34,195,577	36,670,849	35,942,563	-728,286
Employers' Reserve Fund (A)	<u>0</u>	<u>0</u>	<u>2,500,000</u>	<u>2,500,000</u>
TOTAL	\$38,778,415	\$49,155,740	\$62,972,527	\$13,816,787

EMPLOYES' RETIREMENT SYSTEM

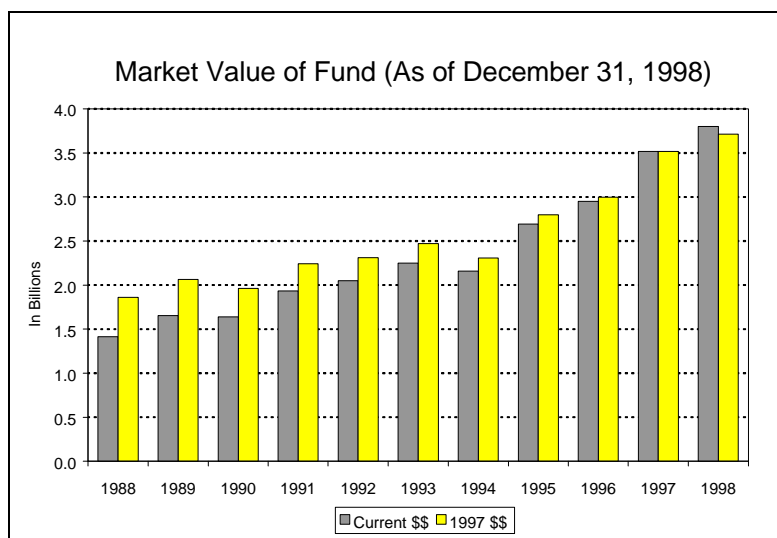
EXECUTIVE SUMMARY

MISSION:	To administer the payment of retirement and other benefits to eligible persons as provided under city charter and also to provide member services to those individuals.
STRATEGIC ISSUES:	<p>Maintain the financial health of the pension fund through sound financial and investment management techniques.</p> <p>Respond to a growing number of requests for information from pension system members, city departments and agencies, and outside entities.</p> <p>Improve the efficiency and responsiveness of the system's administration through automation.</p> <p>Implement the global pension settlement.</p>
INITIATIVES FOR 2001:	<p>Finance ERS operating expenses with fund earnings, including all administrative costs, computer expenses, investment management fees, and performance fee contracts pending court approval of the global pension settlement.</p> <p>Maintain oversight of the investment portfolio in order to achieve sufficient returns while also curbing the variability of the fund's asset value.</p> <p>Continue ERS' information technology efforts by completing the business process modeling project, which was initiated in 2000; implementing data remediation/enhancement projects; and initiating the implementation of a Pension Management Information System (PMIS).</p> <p>Address internal control issues to properly safeguard pension assets.</p> <p>Initiate global pension settlement implementation.</p>

BACKGROUND

The Employees' Retirement System (ERS) of the City of Milwaukee was created by an act of the Wisconsin Legislature in 1937 to provide retirement-related benefits for members and their beneficiaries. ERS also administers the city's contribution for payment of the employer's share of social security as well as the group life insurance program for city workers and COBRA health care for retirees. As of December 31, 1998, there were approximately 26,318 members (actives, inactive, and retirees) in the system and as of December 31, 1998, the value of the fund stood at an estimated \$3.87 billion. Figure 1 shows growth in

Figure 1



the value of the fund over time. Since 1995, the fund has consistently posted double-digit returns, reflecting a bullish stock market. Over the five-year period ending December 31, 1998, the fund experienced an annualized return of 15.4%.

The Annuity and Pension Board is trustee of the funds in the system and is charged with general administration of the system. The Secretary and Executive Director function under the direction of the board and are responsible for daily operation of the office.

OBJECTIVE 1

Achieve a higher than average rate of return on the fund as measured by exceeding the performance of a benchmark blended index.

OUTCOME HISTORY

To attract, hire, and retain quality employees, the city must provide employee benefits competitive with those available in the private market. In an era of increasing uncertainty about the funding of social security and increased longevity of employees, retirement benefits are an area of growing concern to both prospective and current employees.

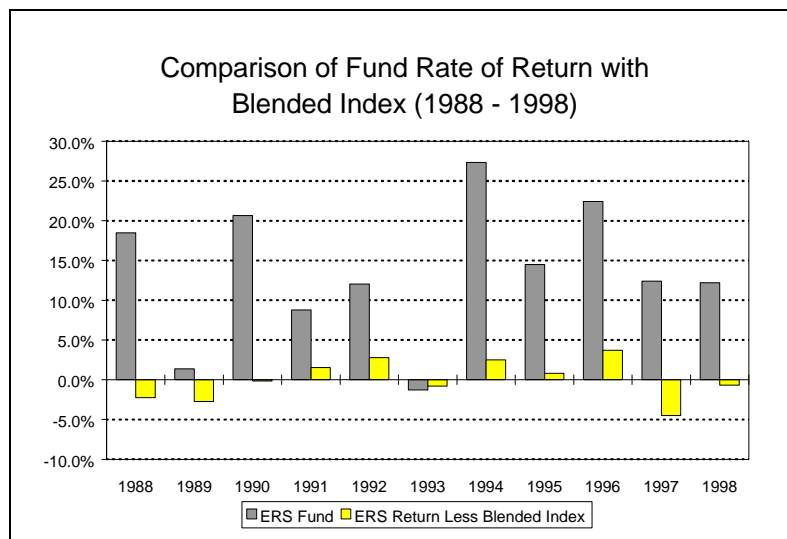
An important objective of ERS is to manage the retirement fund prudently so that sufficient resources will be available in the future to pay retirees' pension benefits as defined by the city charter. To meet this objective, ERS strives to achieve a balance between achieving high returns while also minimizing the variability of the fund's asset value. Both theory and evidence strongly support that a tradeoff exists between these two objectives; that is, the higher the return of the fund, the greater its variability. In essence, a higher than average return on a stock or bond is an investor's reward for taking on additional risk and accepting the potential for greater variability. In 2001, the department will allocate \$20.7 million towards meeting this objective.

Program Result Measures: To measure the fund's performance, ERS compares the return of the retirement fund against a blended benchmark index consisting of the following indices: Russell 3000 Stock Index, the Lehman Brothers Aggregate Bond Index, the Morgan Stanley Capital International EAFE (Europe, Australia, Far East) Index and the Russell NCREIF and NAREIT indices. The NCREIF and NAREIT indices pertain to real estate investments. The blended benchmark is weighted according to asset allocation strategy established by ERS.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Exceed the rate of return of the SEI Custom Index.	-0.7	0.5	0.5
Funding by Source:			
Operating Funds	\$1,614,238	\$6,585,530	\$20,696,653
Total:	\$1,614,238	\$6,585,530	\$20,696,653

Figure 2



Over the long-term, ERS' objective is for the fund to outperform the blended benchmark by 0.5 percentage points. ERS' asset allocation strategy is designed to take advantage of long-term investment and market trends that occur over the life of an investment cycle.

The fund's rate of return net of the fees paid to investment managers fell below the blended benchmark index by 4.5% in 1997 and 0.7% in 1998. As Figure 2 indicates, the fund's annual rate of return net of fees was 12.2% while the blended benchmark was 12.9%. Since the current blended benchmark was not estab-

lished until 1996, it has not been in place long enough to experience a full economic cycle.

Another benchmark for comparison purposes is the fund's policy of 8.5% growth in the assets of the fund. This policy is the actuarial assumed rate of return that approximately covers the growth liabilities of the fund; i.e., the pensions owed to present and future retirees. The fund's annual rate of return of 15.6% in the four most recent years substantively exceeds the actuarial policy rate.

ACTIVITIES

- Design and update asset allocation policy
- Select and negotiate of money management contracts
- Monitor and evaluate money manager returns, investment strategies and adherence to stated investment goals and objectives

PROGRAM CHANGES

Money Management Contracts, Investment Fees and ERS Administrative Costs: For 2001, it is estimated that maximum expenditures for money management contracts and investment fees will be \$13.6 million. Actual expenditure in 2001 will depend on how well the money managers perform. In 2001, all management contracts and investment fees will be netted out of the fund's earnings along with administration expenses (approximately \$4.3 million) in accordance with the global pension settlement. The practice of netting against the fund's earnings, all administrative costs, including investment management fees and performance fee contracts makes the financing of ERS consistent with the standards of the industry.

Due to the inclusion of all money manager and investment fees in the budget, the amount of funding attributed to objective 1 is significantly greater than in prior years.

OBJECTIVE 2

Maintain high levels of customer service for active pension members, retirees, and group life policy claimants.

OUTCOME HISTORY

Essential to the goal of attracting and retaining the best employees is the level of employee benefits provided and the delivery of those services in an expeditious, careful, and courteous manner. ERS interacts with city employees on several levels in the delivery of pension benefits, including the provision of benefit estimates, pension counseling, the processing of retiree benefits, and the completion of death claims for the group life program. Figure 3 shows the growing membership of the pension system that ERS serves.

For purposes of achieving this objective, ERS will allocate approximately \$3.0 million to improve customer satisfaction with the administration of pension benefits. The significant decrease (\$2.0 million) in the funding of this objective reflects a change in the method used to compute the amount of resources attributed to this objective, so comparisons to prior years cannot be made. The methodology used in the 2001 budget will be carried-over in future years, which will allow year-to-year comparisons.

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Exceed 90% favorable rating on customer satisfaction surveys.	NA	NA	90.0%
Complete 95% of death claims within 48 hours.	95.0%	95.0%	95.0%
Funding by Source:			
Operating Funds	\$2,000,565	\$4,940,938	\$2,952,039
Total:	\$2,000,565	\$4,940,938	\$2,952,039

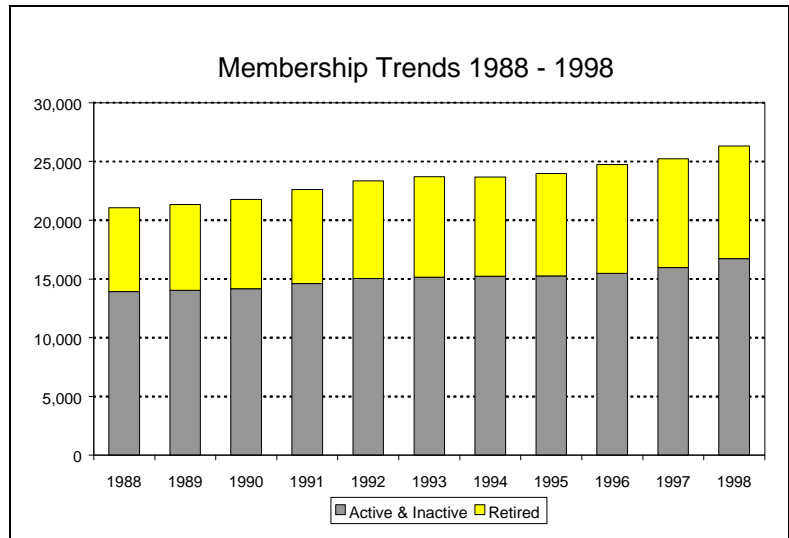
Program Result Measures: With the hiring of a Member Services Manager, ERS will develop a number of outcome indicators to measure the quality of its services to city employees. To measure the quality of its counseling services, ERS will develop a customer evaluation procedure to determine how satisfied city employees are with their pension counseling sessions and the other assistance they receive from the ERS. The goal is to achieve a 75% "favorable" rating from at least 90% of ERS members. ERS plans to have this completed by the end of 2001.

ERS also administers the group life insurance program. An important goal for ERS is to process death claims quickly. A quick turnaround is especially important for death claims because of the uncertainty and hardship faced by family members following a death. The ERS goal is to process 95% of death benefit claims within 48 hours of receiving all the necessary information.

ACTIVITIES

- Provision of benefit estimates
- Counsel pension members
- Maintenance of membership records and update payroll records
- Administer the group life insurance program and process death claims
- Administer COBRA health care and dental care payments for city retirees

Figure 3



OBJECTIVE 3

Improve ERS' customer service and operational effectiveness through the acquisition, design, development and implementation of information systems solutions.

OUTCOME HISTORY

It is essential to continually examine the delivery of ERS' services to assure that they are provided in a timely, accurate, efficient and cost effective manner. The greater incorporation of information technologies into the delivery of pension-related services promises to substantively improve the administration of ERS. In 2001, ERS will allocate \$2.5 million towards information systems development.

ACTIVITIES

- Research, acquire and begin implementation of a document management system;
- Initiate the development of a Pension Management Information System (PMIS);
- Initiate a multi-phased data remediation project
- Design, develop and implement tactical computer-based solutions in response to the global pension settlement; and
- Continue the remediation/enhancement of existing systems including mainframe and server-

Outcome Indicators and Funding

	1999 Experience	2000 Budget	2001 Projection
Funding by Source:			
Operating Funds	\$560,198	\$793,969	\$463,483
Capital Budget	0	3,000,000	2,030,000
Total:	\$560,198	\$3,793,969	\$2,493,483

based application, and the development and maintenance of business process models.

PROGRAM CHANGES

Technology Improvements: At present, much of the administration of pension benefits requires human intervention in the calculation and updating of benefits. In estimating pension benefits, the necessary data must now be gathered manually from microfiche that contain individual employee histories. The actual calculation of benefits requires an evaluation of the retrieved data to ascertain the values of the key variables required to compute projected benefits. Updating payroll records to conform with the city cost of living adjustment policy, retroactive pay adjustments for retirees and other pension enhancements also requires manual intervention and calculation.

The 2001 capital budget includes \$2.0 million to undertake the pursuit of three multi-phase multi-year projects which include:

- Document Management System
- Data Remediation
- Pension Management Information System

The objectives of the Document Management System are to protect the critical business information contained in the ERS member records, provide timely electronic access to records at ERS employee workstations, and substantially reduce the filing and retrieval problems fostered by a manual paper-based system.

The objectives of the data remediation project are to ensure that the electronic recording of information in paper format is correct and complete, verify that all required documents for active employee and deferred retiree files are present, and prepare and organize documents for indexing and imaging.

The objective of the Pension Management Information System (PMIS) project is to automate the essential business functions of ERS as they relate to member

services, both before and during retirement. Specifically, the PMIS will include:

- Historical record keeping of pension data for employees of the City of Milwaukee and related agencies for which ERS provides pension management services;
- Automation of pension payments for employees of the City of Milwaukee and related agencies;
- Calculation of pension benefits and estimates that follow the rules established in chapter 36 of the city charter;
- Automation of pension payments in a manner that ensures timely processing of accurate payments;
- Administration of life, health and COBRA dental programs; and
- Automation workflow and information sharing technologies.

Although \$2.0 million is the amount included in the 2001 capital budget, future appropriations, estimated at \$25.6 million, will be required to support and complete these three multi-year information technology initiatives. These capital projects are self-financed through the pension fund, pending the global pension settlement.

OTHER ACTIVITIES AND CHANGES

Global Pension Settlement: The 2001 budget anticipates the conclusion of the global pension settlement. As a result, the entire ERS administration budget is charged against the pension fund, with the exception of \$123,000 in expenses related to the administration of non-pension related activities, such as administering the city's contribution for the employer's share of social security. In addition, the 2001 ERS administration budget includes \$6.2 million for global pension settlement implementation. The city will advance funding for these costs and the system's fund will reimburse the city for the expenses and their associated borrowing costs, once there is a final court determination on the global pension settlement. The conclusion of a global pension settlement also impacts pension fund contributions and results in several other changes, which are discussed in the section related to Provisions for Employees' Retirement.

Administrative Organizational Study: In the 1999 budget, ERS and the Budget Office jointly funded an operational and organizational review and study of

ERS. In anticipation of the completion of the study, the 2000 budget included auxiliary position authority for the positions identified in the study, subject to study and classification by the Department of Employee Relations (DER). With completion of DER's study and classification, the 2001 budget is the first budget in which the new ERS organization structure will be in place.

Internal Audit: The 2001 budget includes \$50,000 for internal audit activities as recommended in the operational and organizational review and study. This audit activity is designed to identify control weaknesses and errors in the existing system. In order to safeguard the assets of the fund, it is critical that control weaknesses be identified and addressed. Although one of the benefits of the audit will be improved controls, the internal audit will also ensure compliance with underlying pension rules and regulations.

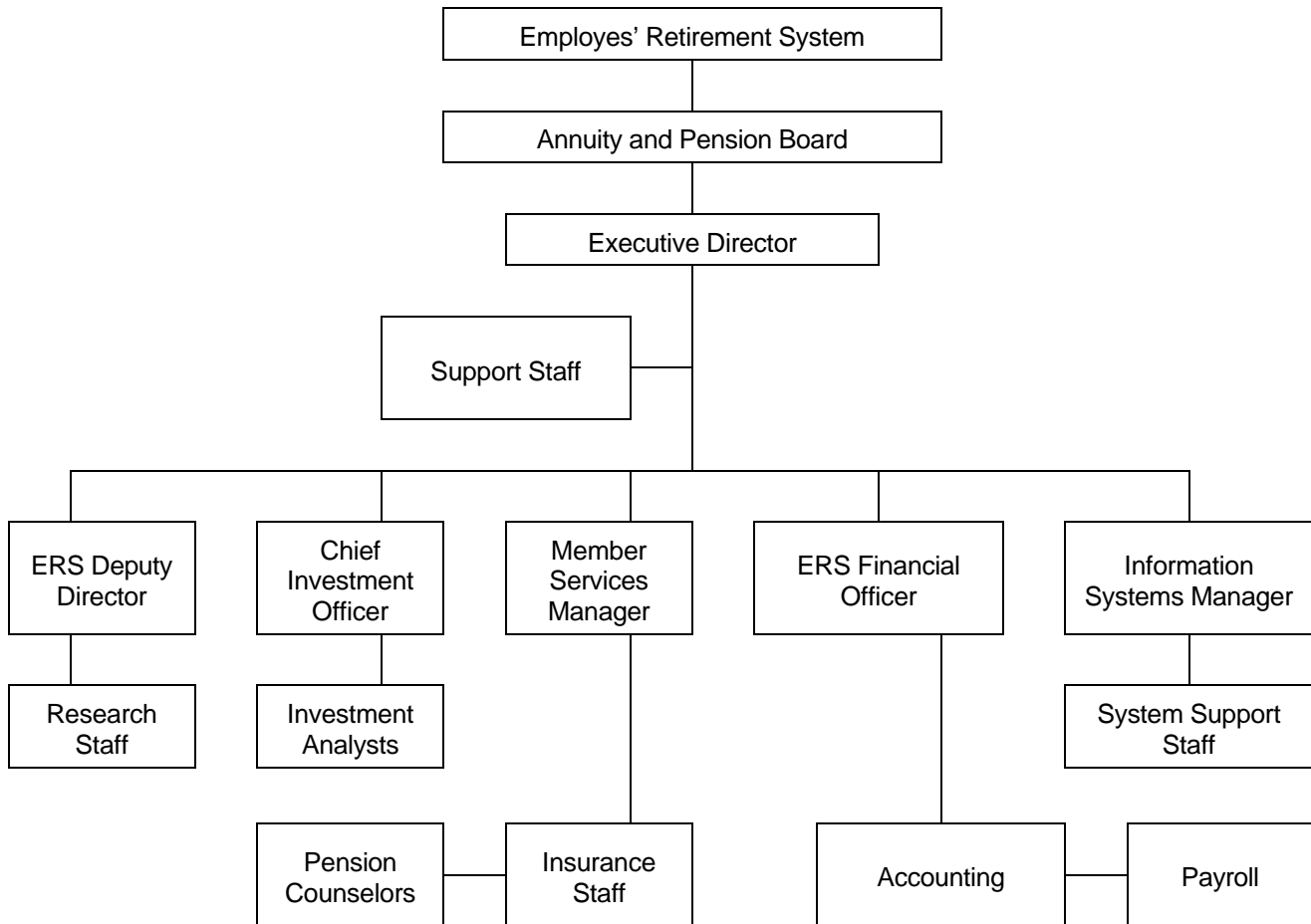
BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	27.50	27.50	35.00	7.50
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	28	72	38	-34
DLH - Operations and Maintenance	44,316	49,500	63,000	13,500
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$790,534	\$1,083,395	\$1,619,963	\$536,568
Fringe Benefits	249,780	346,686	534,588	187,902
Operating Expenditures	2,701,793	1,525,797	2,112,623	586,826
Equipment	8,109	15,000	1,000	-14,000
Special Funds	<u>424,785</u>	<u>9,349,559</u>	<u>19,844,001</u>	<u>10,494,442</u>
TOTAL	\$4,175,001	\$12,320,437	\$24,112,175	\$11,791,738
REVENUES				
Charges for Services	\$4,331,959	\$3,795,307	\$1,917,880	\$-1,877,427
Licenses and Permits	0	0	0	0
Miscellaneous	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	\$4,331,959	\$3,795,307	\$1,917,880	\$-1,877,427

CAPITAL PROJECTS: Includes \$2,030,000 for the following projects:

- a. Data Remediation Program \$1,000,000
- b. Pension Management Information System \$630,000
- c. Document Management System \$400,000

ORGANIZATION CHART



DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

Positions	O&M FTEs	Oper. Funding	Position Title	Reason
AUXILIARY POSITIONS				
-1	-1.00	\$-101,615	Executive Director	Completion of ERS staff restructuring.
-1	-1.00	-96,314	Chief Financial Officer	
-1	-1.00	-70,393	Pension Financial Manager	
-1	-1.00	0	Assistant Executive Director	
-1	-1.00	-38,081	Administrative Services Coordinator	
-1	-1.00	-52,211	Analyst Senior	
-1	-1.00	-30,691	Administrative Assistant I	
-1	-1.00	-31,094	Program Assistant I	
-1	-1.00	-35,440	Office Assistant II	
-1	-1.00	0	Business Operations Manager	
-1	-1.00	-57,564	Management Accountant	
-1	-1.00	-61,495	Accounting Assistant III	
-1	-1.00	60,964	Accounting Assistant I	
-1	-1.00	-27,425	Office Assistant III	
-1	-1.00	-34,070	Program Assistant I	
-1	-1.00	-44,443	System Project Leader	
-1	-1.00	0	Information Officer	
-1	-1.00	-47,626	Network Specialist III	
-1	-1.00	-44,581	Programmer Analyst	
-1	-1.00	-48,114	Pension Counseling Supervisor	
-1	-1.00	-90,957	Pension Counselor Senior	
-1	-1.00	-37,885	Pension Counselor	
-45	0.00	0	Auxiliary Positions	
1	1.00	95,578	ERS Executive Director	
1	1.00	96,314	Chief Investment Officer	
1	1.00	70,393	ERS Deputy Director	
2	2.00	111,570	Pension Investment Analyst	
1	1.00	52,211	Management Services Analyst	
1	1.00	30,319	Administrative Assistant II	

Positions	O&M FTEs	Oper. Funding	Position Title	Reason
1	1.00	30,732	Administrative Assistant III	Completion of ERS staff restructuring.
1	1.00	32,571	Paralegal	
1	1.00	79,337	ERS Financial Officer	
4	4.00	182,399	Pension Accounting Specialist	
2	2.00	70,806	Management Accountant-Senior	
1	1.00	31,814	Accounting Assistant	
1	1.00	96,068	Information Systems Manager	
1	1.00	41,609	Business Systems Coordinator	
2	2.00	96,752	Systems Analyst Senior	
1	1.00	41,396	Network Coordinator Senior	
1	1.00	26,705	Office Assistant III	
1	1.00	23,479	Record Technician II	
1	1.00	52,211	Membership Services Manager	
1	1.00	34,182	Pension Specialist Senior	
1	1.00	32,668	Deputy Specialist Senior	
1	1.00	36,319	Program Assistant II	
2	1.50	51,170	Office Assistant II	
3	0.00	9,000	Board Members	
-34	7.50	\$739,798	TOTAL	

C. CAPITAL IMPROVEMENTS FUNDS

EXECUTIVE SUMMARY

MISSION:	To maintain and enhance the city's infrastructure in a cost-efficient and effective way so as to ensure that the city remains economically competitive.
STRATEGIC ISSUES:	<p>Prepare a six-year capital improvements plan to identify long-range capital needs and to establish spending, debt, and tax rate goals.</p> <p>Develop investment strategies to ensure favorable rates of return on city capital investments.</p>
INITIATIVES FOR 2001:	<p>Continue to convert funding for recurring infrastructure preservation projects from borrowing to cash financing as required by resolution.</p> <p>Continue to evaluate the condition of the city's infrastructure by utilizing data-based condition assessment project planning.</p>

BACKGROUND

The 2001 capital improvements budget represents the initial year of a six-year capital improvements plan. The budget reflects the city's capital needs and identifies project costs and funding sources. Capital improvements may include projects to reconstruct, rehabilitate, or otherwise restore an existing system or

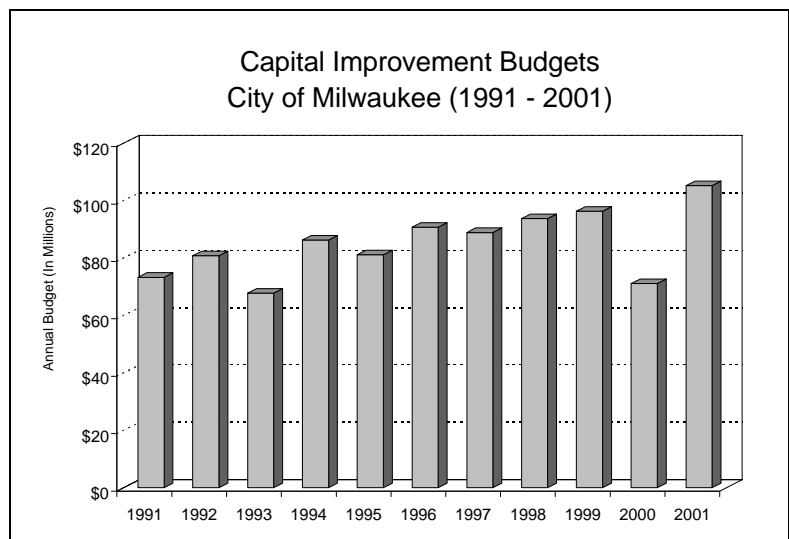
facility to full functionality. They may also include projects to construct a new or more expansive facility to meet increased demands, or to enhance economic development through job creation, business formation, and housing production.

HIGHLIGHTS

The 2001 capital improvements budget totals \$105,248,389, an increase of \$19,538,333 or 22.8%, from the 2000 budget of \$85,710,056. The tax levy-supported portion of the capital budget, which includes tax levy cash resources as well as tax levy-supported general obligation debt, totals \$63,467,479 a decrease of \$2,696,454 or 4.1% from the 2000 budget of \$66,163,933.

Figure 1 shows capital improvement budgets from 1991-2001. As shown, the capital improvement budget increased significantly between 1991 to 1995, and remained relatively stable between 1995 to 1999. In 2000, the capital improvement budget was significantly lower than those for the period between 1995 to 1999. In 2001, the capital improvements budget has reverted back to historical levels. All figures in Figure 1 have been adjusted to

Figure 1



remove Sewer Relief and Relay Projects to provide accurate year-to-year comparisons of capital funding levels. In 2000, all Sewer Relief and Relay projects were transferred to the Sewer Maintenance Fund, thereby reducing the amount of capital supported by the city.

Functional Categories: Projects included in the 2001 city-funded capital improvements budget are categorized in six functional areas, including surface transportation, environment, health and public safety, economic development, culture and recreation, and general government. Figure 2 illustrates the portion of the capital budget allocated to each functional area. (Water, Parking, Sewer Relief and Relay, and Grant and Aids are excluded.)

Funding for surface transportation-related projects comprises the largest functional area, or 28.3% of the capital budget. Nearly \$28.5 million is provided for this purpose. Major transportation projects include:

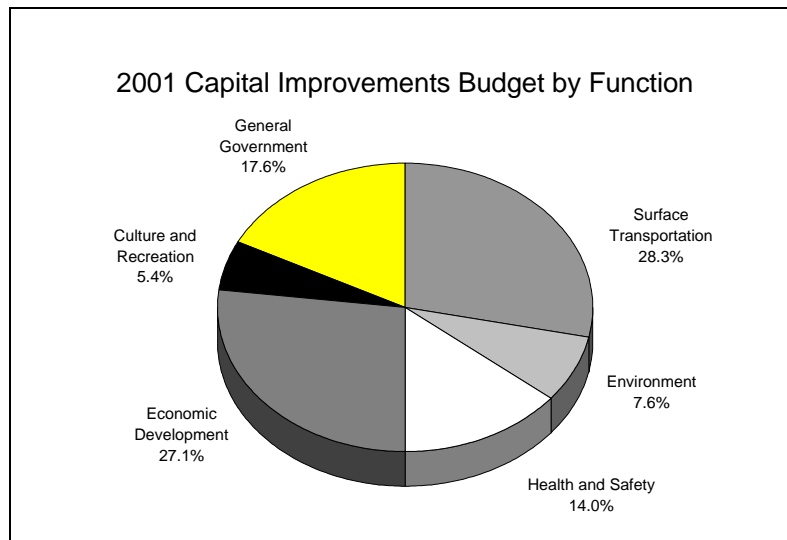
- Major bridges (\$2,864,000)
- Streets and alleys (\$16,666,533)
- Street lights (\$5,000,000)

Economic development projects constitute 27.1% of tax levy-supported capital funding, or \$27 million. Tax Incremental Districts (TIDs), amount to \$20.5 million, or 75.9% of the funding for economic development projects. Port improvements are the second largest type of projects within the economic development function, amounting to \$3.1 million, or 11.5%.

The general government project category is the third largest capital functional area. Approximately \$17.7 million, or 17.6% of capital budget resources, are provided for this purpose. In 2000, \$9.2 million was provided for this purpose. The primary reason for the increase in 2001 is a combination of ERS information systems projects as well as a number of deferred maintenance projects for general city buildings.

Health and safety-related projects represent the fourth largest portion of the capital budget in 2001. Approximately 14.0%, or \$14.1 million, of the city's capital budget is provided for this purpose. A significant portion of funding allocated to this functional area is for construction of a new Police Department Data and Communication Services Center and Third

Figure 2



District Station. The 2001 budget contains \$7.6 million for this construction project.

Funding for the environment comprises 7.6%, or \$7.7 million of the city's capital budget. The 2000 budget included \$20.5 million for environmental projects. The decrease results from shifting Sewer Relief and Relay Program capital projects to the Sewer Maintenance Fund. In 2001, the capital financing of Sewer Maintenance Fund amounts to \$15.3 million, so if these funds were included in the city funded portion of the capital improvements budget, total environment projects would total \$23 million, an increase of \$2.5 million over 2000.

Culture and recreation-related projects represent approximately 5.4% of the capital budget, or \$5.5 million. In addition to providing funding for the Central and Neighborhood Libraries and the city's tot lots, the 2001 budget includes funding of \$1.6 million for construction of a new library. Total costs associated with the new library construction project are projected to be \$4.1 million. It is anticipated that this project will be completed in 2002.

Infrastructure versus Total: Over the past decade, the city has made a concerted effort to fund adequately the maintenance, replacement, and, when appropriate, the expansion of the city's infrastructure system. Analysis conducted by the Budget Office concluded that during the period 1985-1996, capital investments by the city not only replaced infrastructure value lost due to normal wear and tear, but also

increased the inflation-adjusted value of Milwaukee's share of regional public infrastructure by 4.6%.

Figure 3 shows the long-run trend in infrastructure capital spending in inflation-adjusted terms (1992 dollars). As Figure 3 shows, the infrastructure portion of the total capital budget has fluctuated between approximately 25% and 40% since 1989. As this figure clearly illustrates, city funding has remained relatively constant in real terms over the past 11 years, which is indicative of the city's continuing commitment to maintain adequately its various infrastructure systems.

All figures in Figure 3 have been adjusted to remove Sewer Relief and Relay projects to provide accurate year-to-year comparisons of capital funding levels. In 2000, all Sewer Relief and Relay projects were transferred to the Sewer Maintenance Fund, thereby reducing the amount of capital supported by the city.

The 2001 capital improvements budget continues the city's long-standing policy of adequately funding infrastructure needs. In nominal terms, the portion of the city's 2001 capital budget dedicated to infrastructure (which includes sewers, streets, alleys, sidewalks, traffic controls, etc.) totals \$32.8 million, an increase of approximately \$5.5 million.

Preservation versus Expansion: Capital projects are further classified into two categories: preservation and expansion. Figure 4 illustrates the proportion of capital projects that either preserve or expand the city's infrastructure. As shown, a major portion of the total capital budget, \$65.7 million (excluding sewer relief and relay and grant and aid funding), or 62.2%, is allocated to preserving existing infrastructure, namely the city's sewer and transportation systems. This level of funding for preservation projects reflects the advancing age of many of the city's infrastructure systems and the level of investment needed to maintain the condition of these systems.

The 2001 capital budget provides \$40.0 million, or 37.8%, for expansion projects. These projects include economic development-related projects, and new

Figure 3

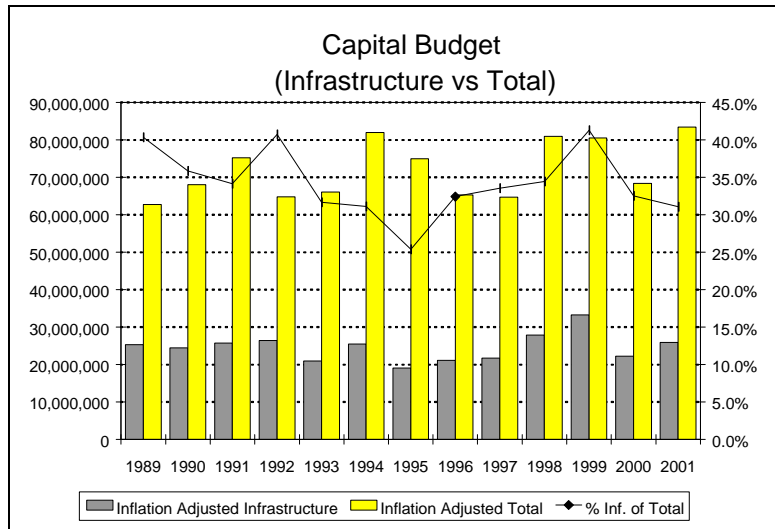
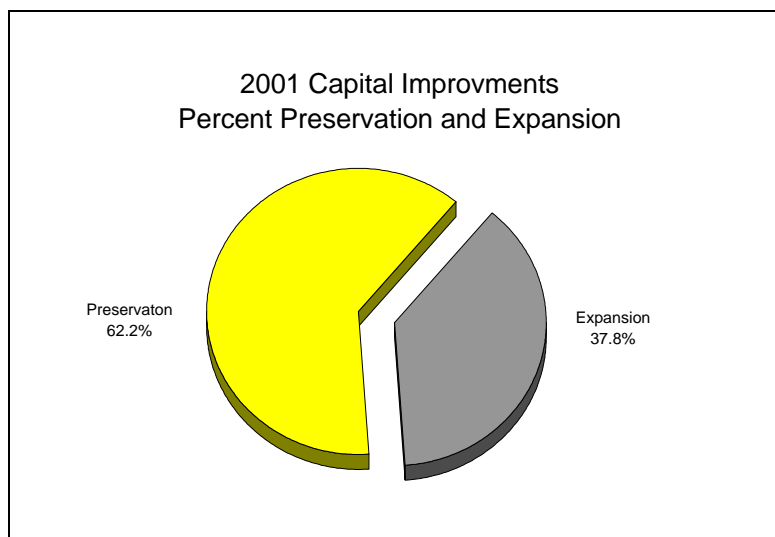


Figure 4



street and expansion of capacity sewer construction projects.

Funding Sources: The 2001 capital budget is financed through several funding sources including the property tax levy, tax levy-supported debt, tax incremental districts, special assessments, cash revenues, and grants and aids (grant and aid not directly spent by the city is excluded). Figure 5 shows funding sources for the 2001 city-funding capital budget.

The largest source of funding for capital projects is tax levy-supported debt financing, approximately

\$50.2 million, or 47.8%, of total funding. This is a decrease of nearly \$2.0 million from the 2000 level.

The second largest funding source is tax levy (cash) financing which totals \$13.2 million, or 12.6%, of total city funding in 2001. In the 2000 budget, this source of funding totaled nearly \$14.1 million.

Figure 6 shows cash and debt financing trends for capital improvements from 1991 to 2001. As shown, cash financing of capital improvements increased to as much as \$25 million between 1991 and 1999. This increase is due, largely, to the infrastructure cash conversion policy. The lower levels of cash levy financing in 2000 and 2001 are due to the transfer of Sewer Relief and Relay, which was part of the Infrastructure Cash Conversion Policy, to the Sewer Maintenance Fund. (It is anticipated that in 2001 a new cash conversion policy will be developed specifically for the projects in the Sewer Maintenance Fund.) Tax levy-supported debt has fluctuated between \$20 million and \$52 million between 1991 and 2001, with increases primarily due to the effects of large one-time capital projects. All figures in Figure 6 have been adjusted to remove Sewer Relief and Relay projects to provide accurate year-to-year comparisons of capital funding levels. In 2000, all Sewer Relief and Relay projects were transferred to the Sewer Maintenance Fund, thereby reducing the amount of capital supported by the city.

Other non-tax levy-related funding sources for the 2001 capital budget include cash revenues totaling \$13.7 million, special assessments totaling \$8.6 million, and tax incremental financing totaling \$20.5 million. In addition, certain city infrastructure projects receive funding from state and federal grants and aids which are expected to total \$48.9 million. These funds are reflected in the budget as footnotes since the city does not control how they are expended.

Cash Conversion Policy: In 1986, the Common Council adopted a resolution that gradually converts funding for recurring infrastructure projects from borrowing to cash

Figure 5

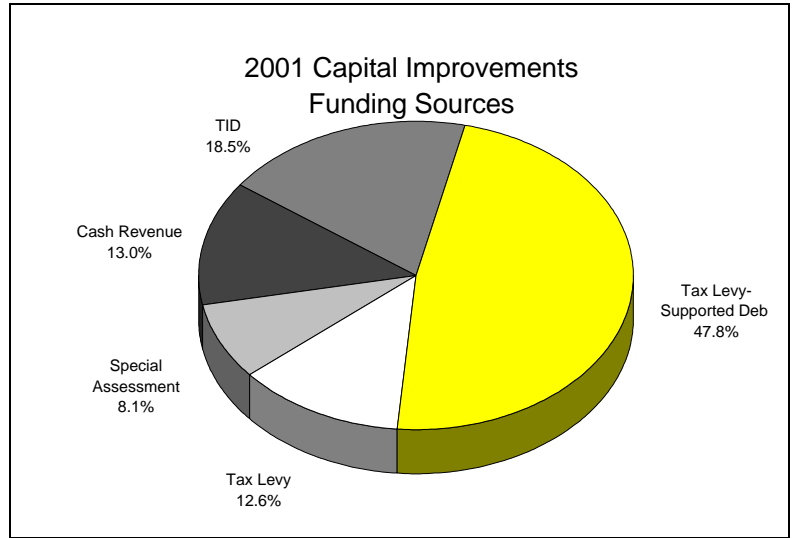


Figure 6

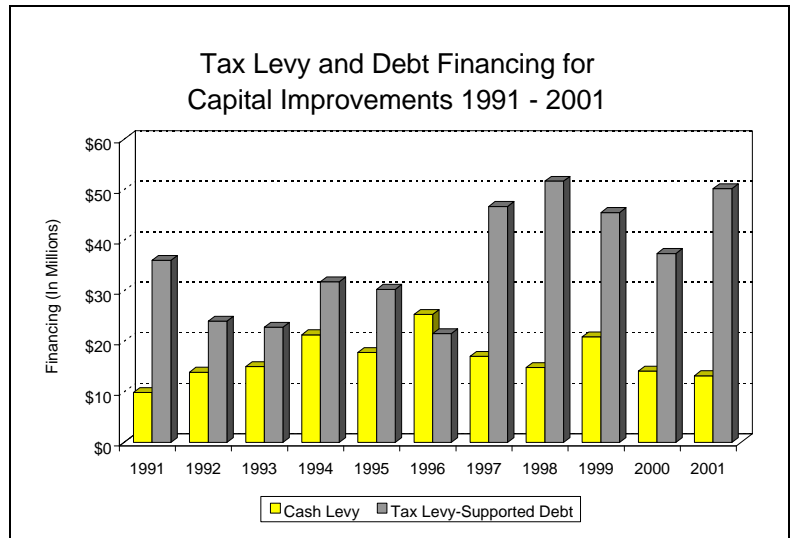
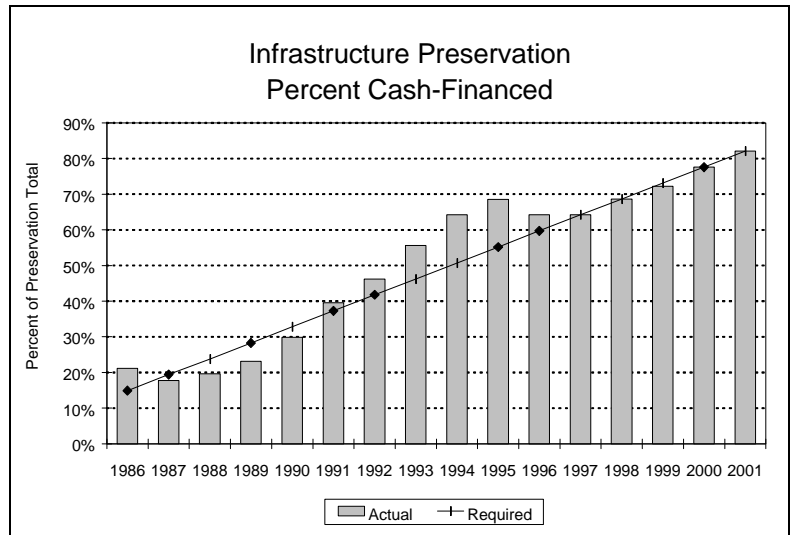


Figure 7



financing through the year 2005. This strategy was employed to decrease overall debt, and ultimately reduce costs and resulting tax levies for, what are in effect, annually recurring replacement projects. Figure 7 graphically illustrates the effects of the cash conversion policy since 1986.

In the 2001 capital budget, infrastructure projects are cash financed at 82.08%, at the resolution level. The recurring infrastructure budget totals approximately \$12.8 million. This decrease of \$1.8 million from 2000 is due largely to increased assessments of streets, sidewalks and alleys, which reduces the amount of city supported financing of these projects and subsequently, the amount of infrastructure funding subject to the cash conversion policy.

Capital Project Detail: Detail of each individual capital project is provided in the appropriate department summary.

Note: The information contained in this budget summary regarding tax levy-supported debt and cash levy-financing of capital projects does not reflect

the detailed budget. The detailed budget has been adjusted to reflect a change, recommended by the City Comptroller, to utilize Public Debt Amortization Fund (PDAF) assets to offset a portion of the tax levy allocated to finance the capital budget. This action significantly skews the financing of the capital budget as well as the infrastructure cash conversion policy. The data contained in this summary does not reflect this change so that an accurate depiction of capital financing can be presented.

The Public Debt Commissioners approved a PDAF withdrawal totaling \$11.0 million to purchase city debt. The proceeds of this debt will be used to substitute for capital cash that would otherwise have to be levied. Consequently, \$11.0 million in tax levy (cash) financing of capital projects is replaced by debt issued through the PDAF. However, this debt will be immediately canceled upon purchase avoiding debt service costs in the ensuing year and resulting in no tax levy impact in 2001, or thereafter. (For further discussion of this issue, see "City Debt" in the *2001 Plan and Budget Summary*.)

SUMMARY OF DEPARTMENTAL APPROPRIATIONS

	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Special Projects	\$13,025,000	\$17,355,062	\$4,330,062
Administration	0	737,150	737,150
City Attorney	45,300	0	-45,300
City Development	10,850,000	24,200,000	13,350,000
City Treasurer	0	0	0
Common Council	0	69,000	69,000
Comptroller	0	0	0
Fire Department	1,600,000	3,789,900	2,189,900
Health Department	141,000	629,200	488,200
Library	880,000	3,460,000	2,580,000
Municipal Court	0	0	0
Neighborhood Services	1,770,000	2,057,000	287,000
Police Department	21,093,180	9,693,544	-11,399,636
Port of Milwaukee	2,150,000	725,000	-1,425,000
Public Works	<u>34,155,576</u>	<u>42,532,533</u>	<u>8,376,957</u>
TOTAL CAPITAL BUDGET	\$85,710,056	\$105,248,389	\$19,538,333

2001 CAPITAL IMPROVEMENTS FINANCED BY CATEGORY

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
SPECIAL CAPITAL PROJECTS								
ERS-Document Management System								
Budget	\$0	\$0	\$0	\$0	\$400,000	\$400,000	\$0	\$400,000
ERS-Pension Mgmt Information System								
Budget	0	0	0	0	630,000	630,000	0	630,000
Carryover	(0)	(3,000,000)	(0)	(0)	(0)	(3,000,000)	(0)	(3,000,000)
ERS-Data Remediation								
Budget	0	0	0	0	1,000,000	1,000,000	0	1,000,000
Grant and Aid								
Budget	0	1,600,000	0	0	8,700,000	10,300,000	0	10,300,000
Carryover	(0)	(6,045,000)	(0)	(0)	(0)	(6,045,000)	(0)	(6,045,000)
Municipal Art Fund								
Budget	25,062	0	0	0	0	25,062	0	25,062
Employee Fringe Benefits								
Budget	0	3,500,000	0	0	0	3,500,000	0	3,500,000
Pabst Theatre Modifications								
Budget	0	1,500,000	0	0	0	1,500,000	0	1,500,000
Carryover	(0)	(1,000,000)	(0)	(0)	(0)	(1,000,000)	(0)	(1,000,000)
FMIS Post Implementation Work								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(760,000)	(0)	(0)	(0)	(760,000)	(0)	(760,000)
Financial Mgmt Information System								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(653,506)	(0)	(0)	(0)	(653,506)	(0)	(653,506)
Stadium Related Improvements								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(3,898,550)	(0)	(0)	(0)	(3,898,550)	(0)	(3,898,550)
Auditorium-Arena and Exposition Center Modification								
Carryover	(0)	(217,780)	(0)	(0)	(0)	(217,780)	(0)	(217,780)
Fairview Mausoleum								
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL SPECIAL PROJECTS								
Budget	\$25,062	\$6,600,000	\$0	\$0	\$10,730,000	\$17,355,062	\$0	\$17,355,062
Carryover	(\$0)	(\$15,574,836)	(\$0)	(\$0)	(\$0)	(\$15,574,836)	(\$0)	(\$15,574,836)
DEPT OF ADMINISTRATION								
Trunked Radio Comm Study-Citywide								
Budget	\$300,000	\$0	\$0	\$0	\$0	\$300,000	\$0	\$300,000
FMIS Accounts receivable								
Budget	0	437,150	0	0	0	437,150	0	437,150
TOTAL DEPT OF ADMINISTRATION								
Budget	\$300,000	\$437,150	\$0	\$0	\$0	\$737,150	\$0	\$737,150
Carryover	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
DEPT OF CITY DEVELOPMENT								
Advance Planning								
Budget	\$150,000	\$0	\$0	\$0	\$0	\$150,000	\$0	\$150,000
Neighborhood Commercial District Street Improvement Fund								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(1,000,000)	(0)	(0)	(0)	(1,000,000)	(0)	(1,000,000)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
Tax Increment Financed Urban Renewal								
Projects-Including Grant Funded Projects								
Budget	0	0	19,500,000	0	1,000,000	20,500,000	0	20,500,000
Carryover	(0)	(0)	(28,234,180)	(0)	(0)	(28,234,180)	(0)	(28,234,180)
Riverfront and Other Downtown								
Planning and Improvements								
Carryover	(0)	(1,994,000)	(0)	(0)	(0)	(1,994,000)	(0)	(1,994,000)
Development Zone-Commercial								
Development Revitalization								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(415,000)	(0)	(0)	(0)	(415,000)	(0)	(415,000)
Development Fund								
Budget	0	2,550,000	0	0	0	2,550,000	0	2,550,000
Carryover	(0)	(3,580,000)	(0)	(0)	(0)	(3,580,000)	(0)	(3,580,000)
Development Opportunities Fund								
Carryover	(0)	(1,920,000)	(0)	(0)	(0)	(1,920,000)	(0)	(1,920,000)
MEDC Loan Program								
Carryover	(0)	(500,000)	(0)	(0)	(0)	(500,000)	(0)	(500,000)
King Drive Improvement Program								
Carryover	(0)	(157,000)	(0)	(0)	(0)	(157,000)	(0)	(157,000)
Business Improvement Districts								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(2,597,000)	(0)	(0)	(0)	(2,597,000)	(0)	(2,597,000)
TOTAL DEPT OF CITY DEVELOPMENT								
Budget	\$150,000	\$3,550,000	\$19,500,000	\$0	\$1,000,000	\$24,200,000	\$0	\$24,200,000
Carryover	(\$0)	(\$12,163,000)	(\$28,234,180)	(\$0)	(\$0)	(\$40,397,180)	(\$0)	(\$40,397,180)
COMMON COUNCIL-CITY CLERK								
Room 205 Alterations								
Budget	\$69,000	\$0	\$0	\$0	\$0	\$69,000	\$0	\$69,000
TOTAL COMMON COUNCIL-CITY CLERK								
Budget	\$69,000	\$0	\$0	\$0	\$0	\$69,000	\$0	\$69,000
Carryover	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
FIRE DEPARTMENT								
Ventilation and Bathroom Separation								
Budget	\$100,000	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Training Activity Center-Alt and Additions								
Carryover	(0)	(11,000)	(0)	(0)	(0)	(11,000)	(0)	(11,000)
New Constr Site Engine Company #3								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(100,000)	(0)	(0)	(0)	(100,000)	(0)	(100,000)
Computer Aided Dispatch System								
Budget	0	2,459,900	0	0	0	2,459,900	0	2,459,900
Carryover	(0)	(1,500,000)	(0)	(0)	(0)	(1,500,000)	(0)	(1,500,000)
Engine House #31 Alterations								
Budget	0	980,000	0	0	0	980,000	0	980,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Shop Preparatory Account								
Budget	0	150,000	0	0	0	150,000	0	150,000
Window ReplVarious Locations								
Budget	100,000	0	0	0	0	100,000	0	100,000
TOTAL FIRE DEPARTMENT								
Budget	\$200,000	\$3,589,900	\$0	\$0	\$0	\$3,789,900	\$0	\$3,789,900
Carryover	(\$0)	(\$1,611,000)	(\$0)	(\$0)	(\$0)	(\$1,611,000)	(\$0)	(\$1,611,000)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
HEALTH DEPARTMENT								
Mechanical Systems Program								
Budget	\$59,000	\$0	\$0	\$0	\$0	\$59,000	\$0	\$59,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Exterior Building Repair								
Budget	0	570,200	0	0	0	570,200	0	570,200
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Office and Lab Remodeling								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(838,000)	(0)	(0)	(0)	(838,000)	(0)	(838,000)
TOTAL HEALTH DEPARTMENT								
Budget	\$59,000	\$570,200	\$0	\$0	\$0	\$629,200	\$0	\$629,200
Carryover	(\$0)	(\$838,000)	(\$0)	(\$0)	(\$0)	(\$838,000)	(\$0)	(\$838,000)
LIBRARY								
CENTRAL LIBRARY								
Central Library Improvements Program								
Budget	\$0	\$825,000	\$0	\$0	\$0	\$825,000	\$0	\$825,000
Carryover	(0)	(650,000)	(0)	(0)	(0)	(650,000)	(0)	(650,000)
Central Library Remodeling Program								
Budget	0	500,000	0	0	500,000	1,000,000	0	1,000,000
Carryover	(0)	(1,200,000)	(0)	(0)	(0)	(1,200,000)	(0)	(1,200,000)
Emergency Generator								
Budget	0	0	0	0	0	0	0	0
NEIGHBORHOOD LIBRARIES								
Neighborhood Library Impr Fund								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(230,000)	(0)	(0)	(0)	(230,000)	(0)	(230,000)
Neighborhood Library Remodeling Prog								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(550,000)	(0)	(0)	(0)	(550,000)	(0)	(550,000)
New Neighborhood Library								
Budget	0	1,635,000	0	0	0	1,635,000	0	1,635,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL LIBRARY								
Budget	\$0	\$2,960,000	\$0	\$0	\$500,000	\$3,460,000	\$0	\$3,460,000
Carryover	(\$0)	(\$2,630,000)	(\$0)	(\$0)	(\$0)	(\$2,630,000)	(\$0)	(\$2,630,000)
MUNICIPAL COURT								
Remodel Wisconsin Correctional Services								
Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Court/PAB Entrance								
Carryover	(0)	(65,000)	(0)	(0)	(0)	(65,000)	(0)	(65,000)
Court Case Management System								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Plan for 4th Branch								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL MUNICIPAL COURT								
Budget	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Carryover	(\$0)	(\$65,000)	(\$0)	(\$0)	(\$0)	(\$65,000)	(\$0)	(\$65,000)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
NEIGHBORHOOD SERVICES								
First Floor Remodeling-Municipal Building								
Budget	\$0	\$1,857,000	\$0	\$0	\$0	\$1,857,000	\$0	\$1,857,000
Carryover	(0)	(2,370,000)	(0)	(0)	(0)	(2,370,000)	(0)	(2,370,000)
Indian Council for the Elderly Improvements								
Budget	0	200,000	0	0	0	200,000	0	200,000
TOTAL NEIGHBORHOOD SERVICES								
Budget	\$0	\$2,057,000	\$0	\$0	\$0	\$2,057,000	\$0	\$2,057,000
Carryover	(\$0)	(\$2,370,000)	(\$0)	(\$0)	(\$0)	(\$2,370,000)	(\$0)	(\$2,370,000)
POLICE DEPARTMENT								
Data Services/Comm Center Constr								
Budget	\$0	\$7,560,000	\$0	\$0	\$0	\$7,560,000	\$0	\$7,560,000
Carryover	(0)	(36,169,000)	(0)	(0)	(0)	(36,169,000)	(0)	(36,169,000)
ADA Compliance Prog-Various Facilities								
Budget	18,544	0	0	0	0	18,544	0	18,544
District 7 HVAC								
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
PAB Replace Cooling tower								
Carryover	(0)	(150,000)	(0)	(0)	(0)	(150,000)	(0)	(150,000)
Districtwide Needs Assessment								
Budget	15,000	0	0	0	0	15,000	0	15,000
Evidence Storage								
Carryover	(0)	(428,490)	(0)	(0)	(0)	(428,490)	(0)	(428,490)
Remodel Admin Building Offices								
Budget	0	2,100,000	0	0	0	2,100,000	0	2,100,000
Carryover	(0)	(410,000)	(0)	(0)	(0)	(410,000)	(0)	(410,000)
TOTAL POLICE DEPARTMENT								
Budget	\$33,544	\$9,660,000	\$0	\$0	\$0	\$9,693,544	\$0	\$9,693,544
Carryover	(\$0)	(\$37,307,490)	(\$0)	(\$0)	(\$0)	(\$37,307,490)	(\$0)	(\$37,307,490)
PORT OF MILWAUKEE								
Major Maintenance-Terminals and Piers								
Budget	\$75,000	\$0	\$0	\$0	\$0	\$75,000	\$0	\$75,000
Carryover	(0)	(414,000)	(0)	(0)	(0)	(414,000)	(0)	(414,000)
Analyze and Upgrade Sewer System								
Budget	50,000	0	0	0	0	50,000	0	50,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Pier and Berth Improvements								
Budget	0	600,000	0	0	0	600,000	2,400,000	3,000,000
Carryover	(0)	(200,000)	(0)	(0)	(0)	(200,000)	(0)	(200,000)
South Harbor Tract Improvements								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(1,900,000)	(0)	(0)	(0)	(1,900,000)	(0)	(1,900,000)
Harbor Maintenance Dredging								
Budget	0	0	0	0	0	0	0	0
Liquid Cargo Pier Improvements								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(200,000)	(0)	(0)	(0)	(200,000)	(0)	(200,000)
Cargo Handling Equipment								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(100,000)	(0)	(0)	(0)	(100,000)	(0)	(100,000)
Terminal 3 and 4 Structural Repairs								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(75,000)	(0)	(0)	(0)	(75,000)	(0)	(75,000)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
Terminal 2 Warehouse								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(339,000)	(0)	(0)	(0)	(339,000)	(0)	(339,000)
Dockwall Rehabilitation								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(745,000)	(0)	(0)	(0)	(745,000)	(0)	(745,000)
TOTAL PORT								
Budget	\$125,000	\$600,000	\$0	\$0	\$0	\$725,000	\$2,400,000	\$3,125,000
Carryover	(\$0)	(\$3,973,000)	(\$0)	(\$0)	(\$0)	(\$3,973,000)	(\$0)	(\$3,973,000)
CITY TREASURER								
Customer Service Renovation								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
TOTAL CITY TREASURER								
Budget	0	0	0	0	0	0	0	0
Carryover	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
DPW-ADMINISTRATION								
DPW Environmental Projects Fund								
Budget	\$100,000	\$0	\$0	\$0	\$0	\$100,000	\$0	\$100,000
Carryover	(0)	(400,000)	(0)	(0)	(0)	(400,000)	(0)	(400,000)
College Avenue Landfill Closure								
Carryover	(0)	(450,000)	(0)	(0)	(0)	(450,000)	(0)	(450,000)
Public Safety Communications								
Budget	0	500,000	0	0	0	500,000	0	500,000
Carryover	(0)	(560,000)	(0)	(0)	(0)	(560,000)	(0)	(560,000)
TOTAL DPW-ADMINISTRATION								
Budget	\$100,000	\$500,000	\$0	\$0	\$0	\$600,000	\$0	\$600,000
Carryover	(\$0)	(\$1,410,000)	(\$0)	(\$0)	(\$0)	(\$1,410,000)	(\$0)	(\$1,410,000)
DPW-BUILDINGS AND FLEET DIVISION								
Asbestos Abatement Program								
Carryover	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)	(\$0)
Boiler Replacement-Various Locations								
Carryover	(0)	(47,000)	(0)	(0)	(0)	(47,000)	(0)	(47,000)
Digital Controller-City Buildings								
Carryover	(0)	(105,000)	(0)	(0)	(0)	(105,000)	(0)	(105,000)
Space Planning and Alterations								
Budget	128,500	0	0	0	0	128,500	0	128,500
City Hall Complex Mechanical Systems								
Carryover	(0)	(3,000)	(0)	(0)	(0)	(3,000)	(0)	(3,000)
City Hall Complex Remodeling								
Budget	0	750,000	0	0	0	750,000	0	750,000
Carryover	(0)	(1,262,000)	(0)	(0)	(0)	(1,262,000)	(0)	(1,262,000)
Underground Storage Tank Removal Prog								
Carryover	(0)	(500,000)	(0)	(0)	(0)	(500,000)	(0)	(500,000)
Fire Protection System-City Hall								
Carryover	(0)	(157,000)	(0)	(0)	(0)	(157,000)	(0)	(157,000)
Recreational Facilities-Citywide								
Budget	0	117,000	0	0	0	117,000	383,000	500,000
Carryover	(0)	(633,000)	(0)	(0)	(0)	(633,000)	(0)	(633,000)
ADA Compliance of City Facilities								
Budget	0	425,000	0	0	0	425,000	0	425,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Restore Upper/Lower Parking-Muni Bldg								
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
Facility Systems Program								
Budget	0	1,810,000	0	0	0	1,810,000	0	1,810,000
Carryover	(0)	(3,945,000)	(0)	(0)	(0)	(3,945,000)	(0)	(3,945,000)
Facilities Exterior Upgrades Program								
Budget	0	466,500	0	0	0	466,500	0	466,500
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Environmental Program (City-Wide)								
Budget	236,051	153,949	0	0	0	390,000	0	390,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
City Hall Restoration Program								
Budget	0	2,500,000	0	0	0	2,500,000	0	2,500,000
Carryover	(0)	(640,000)	(0)	(0)	(0)	(640,000)	(0)	(640,000)
CCTV-Card Access Sys and Expansion								
Carryover	(0)	(41,000)	(0)	(0)	(0)	(41,000)	(0)	(41,000)
Facilities Interior Upgrades								
Carryover	(0)	(550,000)	(0)	(0)	(0)	(550,000)	(0)	(550,000)
TOTAL DPW-BUILDINGS AND FLEET								
Budget	\$364,551	\$6,222,449	\$0	\$0	\$0	\$6,587,000	\$383,000	\$6,970,000
Carryover	(\$0)	(\$7,883,000)	(\$0)	(\$0)	(\$0)	(\$7,883,000)	(\$0)	(\$7,883,000)
DPW-FORESTRY DIVISION								
Concealed Irrigation and General Landscaping								
Budget	\$141,680	\$328,320	\$0	\$0	\$0	\$470,000	\$0	\$470,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Planting Program								
Budget	498,000	0	0	0	0	498,000	0	498,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Consolidation of District Headquarters								
Carryover	(0)	(994,000)	(0)	(0)	(0)	(994,000)	(0)	(994,000)
TOTAL DPW-FORESTRY								
Budget	\$639,680	\$328,320	\$0	\$0	\$0	\$968,000	\$0	\$968,000
Carryover	(\$0)	(\$994,000)	(\$0)	(\$0)	(\$0)	(\$994,000)	(\$0)	(\$994,000)
DPW-INFRASTRUCTURE SERVICES								
SEWER CONSTRUCTION								
Expansion of Capacity Sewer Program								
Budget	\$0	\$5,050,000	\$0	\$0	\$0	\$5,050,000	\$0	\$5,050,000
Carryover	(0)	(13,292,000)	(0)	(1,556,745)	(0)	(14,848,745)	(0)	(14,848,745)
Sewers-Out of Program Developer Financed								
Budget	0	0	0	0	500,000	500,000	0	500,000
TOTAL SEWER CONSTRUCTION								
Budget	\$0	\$5,050,000	\$0	\$0	\$500,000	\$5,550,000	\$0	\$5,550,000
Carryover	(\$0)	(\$13,292,000)	(\$0)	(\$1,556,745)	(\$0)	(\$14,848,745)	(\$0)	(\$14,848,745)
BRIDGE CONSTRUCTION								
Major Bridge Program								
Budget	0	2,270,000	0	0	594,000	2,864,000	12,711,000	15,575,000
Carryover	(0)	(9,788,000)	(0)	(0)	(0)	(9,788,000)	(0)	(9,788,000)
TOTAL BRIDGE CONSTRUCTION								
Budget	\$0	\$2,270,000	\$0	\$0	\$594,000	\$2,864,000	\$12,711,000	\$15,575,000
Carryover	(\$0)	(\$9,788,000)	(\$0)	(\$0)	(\$0)	(\$9,788,000)	(\$0)	(\$9,788,000)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
PAVING PROGRAM								
Street Reconstruction-City Contribution to State and Federally-Aided Projects								
Budget	\$0	\$5,867,623	\$0	\$1,740,910	\$0	\$7,608,533	\$33,076,518	\$40,685,051
Carryover	(0)	(10,433,277)	(0)	(2,423,462)	(0)	(12,856,739)	(0)	(12,856,739)
Street Reconstruction or Resurfacing-Regular City Program								
Budget	0	2,733,000	0	3,250,000	0	5,983,000	517,000	6,500,000
Carryover	(0)	(6,506,800)	(0)	(2,336,401)	(0)	(8,843,201)	(0)	(8,843,201)
Alley Reconstruction Program								
Budget	0	224,000	0	2,016,000	0	2,240,000	0	2,240,000
Carryover	(0)	(1,250,000)	(0)	(2,194,940)	(0)	(3,444,940)	(0)	(3,444,940)
New Street Construction Program								
Budget	0	435,000	0	0	0	435,000	0	435,000
Carryover	(0)	(1,355,000)	(0)	(408,021)	(0)	(1,763,021)	(0)	(1,763,021)
New Streets-Developer Financed								
Budget	0	0	0	0	400,000	400,000	0	400,000
ADA Compliance-Curb Ramps								
Budget	0	0	0	0	0	0	0	0
Carryover	(0)	(60,000)	(0)	(0)	(0)	(60,000)	(0)	(60,000)
TOTAL STREET CONSTRUCTION PROGRAM								
Budget	\$0	\$9,259,623	\$0	\$7,006,910	\$400,000	\$16,666,533	\$33,593,518	\$50,260,051
Carryover	(\$0)	(\$19,605,077)	(\$0)	(\$7,362,824)	(\$0)	(\$26,967,901)	(\$0)	(\$26,967,901)
Street Improvements-Sidewalk, Driveway and Gutter-Replacement								
Budget	\$0	\$450,000	\$0	\$1,050,000	\$0	\$1,500,000	\$0	\$1,500,000
Carryover	(0)	(999,500)	(0)	(2,345,071)	(0)	(3,344,571)	(0)	(3,344,571)
Street Improvements-Street Lighting								
Budget	0	4,500,000	0	500,000	0	5,000,000	0	5,000,000
Carryover	(0)	(8,317,500)	(0)	(901,014)	(0)	(9,218,514)	(0)	(9,218,514)
Emerg Response Mgmt-Opticom Program								
Budget	147,000	0	0	0	0	147,000	0	147,000
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Street Improvements-Traffic Control Facilities								
Budget	0	540,000	0	0	0	540,000	0	540,000
Carryover	(0)	(485,000)	(0)	(0)	(0)	(485,000)	(0)	(485,000)
West Mitchell Street Modifications								
Carryover	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Traser Yard-Parking and Storage Facility								
Budget	0	0	0	0	0	0	232,500	232,500
Carryover	(0)	(388,750)	(0)	(0)	(0)	(388,750)	(0)	(388,750)
Air Conditioning Unit-Canal Street								
Budget	33,000	0	0	0	0	33,000	0	33,000
East North Avenue Paving Project								
Carryover	(0)	(102,750)	(0)	(0)	(0)	(102,750)	(0)	(102,750)
Holton Street Viaduct Right Turn								
Budget	0	0	0	0	0	0	0	0
Cambridge/Bartlett/Kane Intersection								
Budget	40,000	0	0	0	0	40,000	0	40,000
Underground Electrical Manhole Recon								
Budget	0	200,000	0	0	0	200,000	0	200,000
Carryover	(0)	(400,000)	(0)	(0)	(0)	(400,000)	(0)	(400,000)
Street Improvements-Underground Conduit and Manholes								
Budget	0	250,000	0	0	0	250,000	0	250,000
Carryover	(0)	(122,000)	(0)	(0)	(0)	(122,000)	(0)	(122,000)
TOTAL DPW-INFRASTRUCTURE SERV								
Budget	\$220,000	\$22,519,623	\$0	\$8,556,910	\$1,494,000	\$32,790,533	\$46,537,018	\$79,327,551
Carryover	(\$0)	(\$53,500,577)	(\$0)	(\$12,165,654)	(\$0)	(\$65,666,231)	(\$0)	(\$65,666,231)

C. CAPITAL IMPROVEMENTS FUNDS

	TAX LEVY	GENERAL OBLIGATION	TID	SPECIAL ASSESSMENTS	CASH REVENUES	CITY BUDGET TOTAL	GRANT AND AID FINANCING	PROJECT/ PROGRAM TOTAL
DPW-SANITATION DIVISION								
Sanitation/Forestry Joint Headquarters								
Carryover	(\$0)	(\$450,000)	(\$0)	(\$0)	(\$0)	(\$450,000)	(\$0)	(\$450,000)
Sanitation Hdq Modifications-Various Sites								
Budget	0	1,587,000	0	0	0	1,587,000	0	1,587,000
Carryover	(0)	(662,500)	(0)	(0)	(0)	(662,500)	(0)	(662,500)
TOTAL-DPW SANITATION DIVISION								
Budget	\$0	\$1,587,000	\$0	\$0	\$0	\$1,587,000	\$0	\$1,587,000
Carryover	(\$0)	(\$1,112,500)	(\$0)	(\$0)	(\$0)	(\$1,112,500)	(\$0)	(\$1,112,500)
TOTAL DEPT OF PUBLIC WORKS								
Budget	\$1,324,231	\$31,157,392	\$0	\$8,556,910	\$1,494,000	\$42,532,533	\$46,920,018	\$89,452,551
Carryover	(\$0)	(\$64,900,077)	(\$0)	(\$12,165,654)	(\$0)	(\$77,065,731)	(\$0)	(\$77,065,731)
TOTAL PROJECTS								
Budget	\$2,285,837	\$61,181,642	\$19,500,000	\$8,556,910	\$13,724,000	\$105,248,389	\$49,320,018	\$154,568,407
Carryover	(\$0)	(\$141,432,403)	(\$28,234,180)	(\$12,165,654)	(\$0)	(\$181,832,237)	(\$0)	(\$181,832,237)

D. CITY DEBT

EXECUTIVE SUMMARY

PURPOSE:	To finance needed capital improvements at the lowest possible cost and to manage and control the amount of debt outstanding.
STRATEGIC ISSUES:	Maintain the city's bond rating by ensuring the city's outstanding debt level is manageable and affordable. Continue to monitor the city's debt levels, as well as the overlapping debt burden imposed on city residents by other local governments.
INITIATIVES FOR 2001:	Continue to develop and implement policies that utilize alternatively structured debt (i.e., revenue bonds) to reduce the city's reliance on general obligation debt. Monitor Milwaukee Public Schools' capital improvement needs and the impact on city debt levels and the tax levy. Continue to develop policies relating to the city's debt capacity and capital financing needs.

BACKGROUND

The city has been assigned a bond rating of AA+ for general obligation debt from Standard & Poor's and Fitch, IBCA. Moody's Investors Services has rated the city's general obligation bonds as Aa2, which is lower than the Aa1 rating previously assigned to general obligation debt. Despite the lower rating by Moody's, their Aa2 rating lies at the midpoint of Aa rated debt (Aa1 to Aa3).

According to the rating agencies, these quality debt ratings result from a combination of strong financial management, healthy fund balances, stable revenues, and predictable budgets. Overall debt levels are considered above average, but due to an exceptionally rapid amortization schedule, a healthy debt reserve fund, and increased use of tax levy funding for recurring infrastructure projects, debt levels are considered affordable. These strengths offset several weaknesses noted by the rating agencies such as income levels lagging behind both state and national averages.

Table 1

City Debt Indicators Relationship to Standard & Poor's Debt Benchmarks		
Debt Indicators		S & P Rating
Economic		
Income as % of the National Ave.	78.5%	Low
Market Value per Capita	27,462	Low
Taxpayer Concentration	6.21%	Diverse
Financial		
Total General Fund Balances	14.26%	Adequate
Unreserved Fund Balance	6.61%	Adequate
Property Tax Burden	2.80%	Moderately High
Debt		
Direct Debt per Capita	\$868	Moderate
Debt Amortization over Ten Years	78%	Standard is 50%

Several debt indicators are provided in Table 1. These indicators are consistent with the weaknesses and strengths mentioned above.

OVERVIEW

The debt needs of the city in 2001 total \$113,487,421, an increase of \$7,243,991, or 6.8%, from the 2000 debt budget of \$106,243,430. The tax levy-supported portion of the 2001 debt budget is \$59,490,256, an increase of \$10,516,874 or 21.5%, from the 2000 levy contribution of \$48,973,382.

City debt is categorized as self-supporting debt and tax levy-supported debt. Self-supporting debt includes debt related to parking, tax incremental districts, delinquent taxes, special assessments, land bank, and Water Works. Each debt category is financed with earnings from the operation of the particular program for which debt was incurred.

The city funds debt service on tax levy-supported debt through revenues collected using property taxes. Included in the tax levy-supported debt category is borrowing for school purposes, general city capital improvement borrowing, and all other purposes not included in the self-supporting debt category.

Table 2 shows expenditures for city debt, including both self-supporting and tax levy-supported debt. Table 3 shows funding sources for city debt, including self-supporting debt and the tax levy. Highlights of the major changes in city debt expenditures and funding sources are contained in the following summary.

CITY DEBT EXPENDITURE

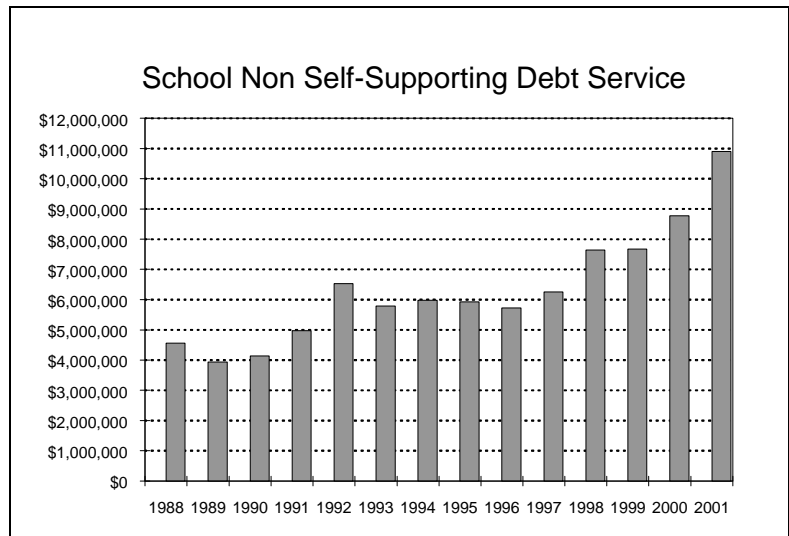
General City (Excluding Schools and Revenue Anticipation Notes): Debt service costs associated with city borrowing, namely for capital improvement projects, are estimated to total \$47.5 million a decrease of approximately \$1.0 million from 2000. This includes debt service costs associated with a bond sale that occurred in August, 2000 as well as anticipated sales in June, 2001.

Milwaukee Public Schools: The city is required under state law to issue debt for Milwaukee Public Schools and make principal and interest payments on this debt. Debt service costs associated with school borrowing are \$10.9 million in 2001, an increase of \$2.1 million from 2000.

Since 1989, the city has provided MPS with a total of \$126.5 million in borrowing authority to help fund school improvements. These funds represent a significant commitment on the part of the city to help MPS maintain and upgrade its facilities in order to enhance the educational opportunities of Milwaukee students.

Besides providing assistance to MPS with regards to their capital improvement needs, the city also issues short-term Revenue Anticipation Notes (RANs) on behalf of the schools to assist them in their cash flow needs. The city sold \$110 million worth of MPS-related Revenue Anticipation Notes in August, 2000.

Figure 1



Tax Incremental Districts (TIDs): Wisconsin state law allows municipalities to designate tax incremental districts for the purpose of generating revenue to pay for public improvements associated with new developments. Funding for these districts is provided from borrowing and other outside sources. When a district is created, a tax base value for the property is established. Redevelopments are anticipated to create increases in the property value above the base value, which is referred to as value increment. The taxes collected on the value increment portion of the property are recognized as revenue, which is used to retire the debt for district improvements.

Table 2

CITY DEBT EXPENDITURES			
PURPOSE	2000 ADOPTED	2001 ADOPTED	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
SELF-SUPPORTING DEBT			
Parking	\$4,374,260	\$4,394,709	\$20,449
Tax Increment Districts	9,897,142	9,979,843	82,701
Delinquent Tax Financing	12,568,390	13,294,867	726,477
Special Assessments	3,675,785	3,907,426	231,641
Land Bank	231,545	107,503	-124,042
Water Works	7,620,259	7,659,204	38,945
Sewer Maintenance Fund	418,600	1,873,918	1,455,318
Brewer MEDC Loan	669,143	2,047,076	1,377,933
MPS Energy Retrofit	963,037	857,671	-105,366
MPS - Loans from the State	2,933,170	2,910,305	-22,865
Pension System	0	694,574	694,574
SUBTOTAL	\$43,351,331	\$47,727,096	\$4,375,765
TAX LEVY DEBT			
Schools	\$8,787,507	\$10,901,443	\$2,113,936
General City	48,409,634	47,496,714	-912,920
RANs-City and MPS	8,946,000	10,893,583	1,947,583
SUBTOTAL	\$66,143,141	\$69,291,740	\$3,148,599
TOTAL DEBT NEEDS	\$109,494,472	\$117,018,836	\$7,524,364
Deduction for S.A. Gain	\$-100,000	\$0	100,000
Deduction for Segregated S.A.	-3,151,042	-3,531,415	-380,373
TOTAL	\$106,243,430	\$113,487,421	\$7,243,991

Table 3

CITY DEBT SOURCE OF FUNDS			
PURPOSE	2000 ADOPTED	2001 ADOPTED	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
SELF-SUPPORTING DEBT			
Parking	\$4,924,583	\$4,394,710	\$-529,873
Tax Increment Districts	14,010,105	10,321,613	-3,688,492
Delinquent Tax Financing	12,350,890	12,998,908	648,018
Special Assessments	0	0	0
Land Bank	0	0	0
Water Works	7,620,259	7,659,204	38,945
Sewer Maintenance Fund	418,600	1,873,918	1,455,318
Brewer MEDC Loan	0	1,063,339	1,063,339
MPS Energy Retrofit	963,037	866,317	-96,720
MPS - Loans from the State	2,933,170	2,910,305	-22,865
Pension System	350,000	694,574	344,574
SUBTOTAL	\$43,570,644	\$42,782,888	\$-787,756
GENERAL OBLIGATION DEBT FINANCING			
Other Revenues	\$13,699,404	\$11,214,277	\$-2,485,127
Tax Levy	48,973,382	59,490,256	10,516,874
SUBTOTAL	\$62,672,786	\$70,704,533	\$8,031,747
TOTAL DEBT NEEDS	\$106,243,430	\$113,487,421	\$7,243,991

In the 2001 debt budget, debt service costs associated with tax incremental districts are estimated to total \$10.0 million and revenues are projected to total \$10.3 million.

Delinquent Taxes: The city debt finances delinquent taxes. The repayment schedule on delinquent tax bonds is structured to conform to the receipt of delinquent tax payments.

The 2001 debt budget includes \$13.3 million to finance debt service costs associated with delinquent tax borrowing. These costs are approximately \$700,000 higher than in 2000. The increase reflects higher annual tax delinquencies, and consequently, greater borrowing. Sources of funding for delinquent taxes are expected to equal \$13.0 million in 2001. This is an increase of \$650,000 from 2000.

Parking Debt: The Parking Fund was established to account for revenues from parking meters, parking permits, rentals and leasing of parking facilities, and other revenues attributable to parking. Revenues are used to fund administrative and operational costs related to parking operations, as well as to fund debt service costs related to borrowing for parking capital projects. A transfer from the Parking Reserve Fund equivalent to the amount of annual outstanding debt service is made each year to offset parking-related debt service costs. In the 2001 debt budget, the Parking Fund provides nearly \$4.4 million to finance debt service costs associated with parking capital projects. These costs are approximately \$500,000 lower than in 2000.

Special Assessments: When certain infrastructure improvements are made, such as repaving a street or alley, part of the cost is charged to the abutting prop-

erty owners as special assessments. The property owner may either pay the entire amount when the bill is received, have the assessment placed on the next tax bill, or pay the amount over six years with interest charged for the final five years. When taxpayers choose the six-year option, the city may borrow money to finance the project. If this is done, the interest cost to the city is offset by the interest charged to the property owners.

The 2001 debt budget includes nearly \$3.9 million to finance debt service costs associated with special assessment borrowing. This is an increase of approximately \$200,000 from 2000.

Water Works: The 2001 debt budget includes \$7.7 million in debt service costs associated with the Water Works Enterprise Fund. Debt service costs associated with these borrowings will be reimbursed from Water Works' earnings. The 1995 budget included \$89 million in borrowing authority for these capital projects. By December of 1998 all bonds for the \$89 million project have been sold.

Sewer Maintenance Fund: The 2001 debt budget includes \$1.9 million for debt service costs associated with Sewer Maintenance Fund capital projects. Sewer Maintenance Fund capital projects will be financed with proceeds from revenue bonds in 2001. Approximately \$15.7 million in borrowing authority is included in the 2001 budget for Sewer Maintenance Fund capital projects. Of this amount, \$14.0 million is for actual project costs. The remaining funds will create a required debt service reserve and pay for debt issuance costs. Debt service costs associated with the revenue borrowing will be reimbursed from Sewer Maintenance Fund earnings.

CITY DEBT SOURCES OF FUNDS

The primary source of revenue for the debt service budget is the property tax levy. The property tax levy for debt service in 2001 totals nearly \$59.5 million, an increase of \$10.5 million from 2000. Other important sources of revenue for the debt service fund include self-supported debt revenues such as those, which come from TIDs, the Parking Fund, and Water Works, as well as other general debt budget revenues such as debt service sinking funds.

General Debt Budget Revenues: One especially important general debt budget revenue is the fund entitled "excess budgeted interest", which contains funds which were budgeted in previous years to make interest payments on outstanding city debt but were not expended. Sometimes, expectations of future interest expenses are greater than what actually is needed, and as a result, the city carries funds over in this account from one year to be made available in the next.

In past years, the excess budget interest fund has been subject to variability. This has been due to difficulty in predicting exactly how much interest is going to be expended in a single budget year.

Although somewhat mitigated, fluctuations in the “excess budget interest” account have continued since 1999. At the end of 2000 “excess budgeted interest” was estimated at \$500,000, a decrease of \$3.3 million from 1999. These funds will be applied to reduce debt service costs in 2001.

Self-Supporting Debt Revenues: One important factor influencing the debt budget tax levy is a mismatch between when debt service costs are incurred, and when revenues are received for self-supporting debt projects. On an annual basis, revenue will not equal the debt payment for self-supporting debt. Over the life of the debt, however, revenue will equal total debt payments. The following types of self-supporting debt will affect the city’s 2001 budget:

- **Tax Incremental Districts** (\$10.3 million): In 2001, sources for TIDs are \$340,000 greater than TID uses. The difference results from a timing problem wherein several TIDs have generated tax increments that exceed their intended uses, to date. However, over the life cycle of these TIDs, sources and uses of revenue will match. Beginning in 1998, the city started structuring TID debt in a different way in order to help minimize this timing problem. The first step was to capitalize the first two years of interest payments.

- **Industrial Land Bank** (\$0): The city, due to a previous agreement with MEDC, was responsible for interest costs associated with a 1990 land bank project (\$2 million project cost).
- **Special Assessments** (\$3.9 million): These revenues represent billings of special assessments that are applied toward the payment of debt issued for this purpose.
- **Delinquent Tax Financing** (\$13.0 million): These revenues represent collections of delinquent taxes and a portion of related interest and penalties assessed.

Miller Park Project: The 2001 city debt budget includes approximately \$2.0 million in revenue-offset debt service which will be incurred by the city as a result of the Miller Park Stadium project. This amount reflects an agreement through which the city would transfer the payment stream associated with a Milwaukee Economic Development Corporation (MEDC) loan (for which the city issued general obligation debt) to the Southeastern Wisconsin Professional Baseball Park District. As a result of this transfer, the Milwaukee Brewers will repay the Stadium District for the loan and not the city.

In addition, the stadium agreement also calls for the issuance of \$5.9 million of Parking Fund supported general obligation debt. In total, this agreement fulfills the city’s commitment to the Miller Park project. All debt service expense associated with this agreement will be paid for through excess revenues of the Parking Fund.

PUBLIC DEBT AMORTIZATION FUND (PDAF)

The Public Debt Commission oversees the use of the Public Debt Amortization Fund, which was created in 1925 by state statutes. The fund is composed of interest earned by assets of the fund, one-third of the general interest earnings of the city, and one-third of interest received on delinquent personal property taxes. Fund assets may be used to prepay a portion of the principal and interest on city debt due the following year, thereby reducing the levy portion of the debt budget. In addition, fund assets may be used to purchase city debt and subsequently invest or cancel such debt. Immediate cancellation of this debt avoids debt service costs in the ensuing years. In 2000, the

Table 4

PDAF Unsegregated Balance (In Thousands)			
Year	Fund Balance	Year	Fund Balance
1988	56,809	1995	56,891
1989	56,935	1996	53,798
1990	55,663	1997	53,106
1991	56,551	1998	52,666
1992	56,803	1999	45,054
1993	56,456	2000	40,909 *
1994	57,088		

* Estimated

PDAF withdrawal taken for 2001 budget purposes totals \$11.0 million, an amount \$0.5 million below the prior year. As a result of this withdrawal, the end of the year 1999 PDAF unsegregated fund balance is estimated to total \$40.9 million, a drop of approximately \$4.0 million from the prior year.

Table 4 shows how the unsegregated portion of the PDAF has fluctuated over time. In 1997 and 1998, the PDAF has had earnings of approximately \$10.3 million each year. Estimated PDAF earnings for 1999 totaled \$8.1 million and earnings for 2001 are estimated to be \$7.0 million.

OUTSTANDING DEBT AND DEBT SERVICE

The City of Milwaukee issues general obligation bonds for city and school capital improvement projects as well as for self-supporting projects, including tax incremental districts, special assessments, delinquent taxes, parking, Water Works, and the Land Bank Fund. As of December 31, 1999, the outstanding debt service requirements for the city totaled \$733.8 million, an increase of \$55.3 million from 1998 levels (an increase of 8.2%).

Of the \$733.8 million, \$367.6 million in outstanding debt service requirements is associated with general city capital expenditures. The remaining outstanding city obligation is split between MPS-related debt service (\$101.7 million) and self-supporting debt service (\$264.5 million).

Legal Debt Limits: State statutes limit direct general obligation borrowing to 7% of the equalized value of taxable property in the city. Of this 7% limitation, 5% is the limit on city borrowing for municipal purposes and 2% is the city's limit on school purpose capital

borrowing. The remaining unutilized legal debt limit as of December 31, 1999, is \$641.3 million. Of the remaining unutilized debt, \$398.0 million is for city purposes and \$243.3 million is for school purposes.

Debt Structure: The general policy of the Public Debt Commission relating to general obligation bonds is to issue fifteen year, level-principal-payment bond issues. This policy produces higher payments in the early years of a bond issue, but produces lower total financing costs. As a result of this rapid debt amortization schedule, 55% of principal is retired in five years and 86% is retired in ten years.

City Capital Debt: As previously indicated, \$367.6 million of total outstanding debt service requirements is related to city capital purposes. Table 5 shows that \$199.1 million is for the street, sewer, and bridge systems - the largest component of debt. In addition, \$112.0 million is for public facilities and \$34.2 million is for economic development-related activities.

Table 5

Outstanding Debt Service Requirements by Purpose City of Milwaukee General Obligation Bonds and Notes As of December 31, 1999 (In Thousands)				
Purpose	Principal	Interest	Total	% of Total
Self-Supporting Debt				
Tax Incremental Districts	\$66,837	\$25,116	\$91,953	12.53%
Parking	25,400	7,562	32,962	4.49%
Water	57,374	18,497	75,871	10.34%
Delinquent Taxes	21,950	1,141	23,091	3.15%
Special Assessments	28,560	11,205	39,765	5.42%
Land Bank	682	142	824	0.11%
SUBTOTAL	\$200,803	\$63,663	\$264,466	36.04%
Tax Levy Debt				
Economic Development	\$25,862	\$8,367	\$34,229	4.66%
Public Facilities	85,106	26,917	112,023	15.27%
Streets, Sewers, Bridges	151,106	48,021	199,127	27.14%
Other	18,169	4,036	22,205	3.03%
School Debt	78,053	23,664	101,717	13.86%
SUBTOTAL	\$358,296	\$111,005	\$469,301	63.96%
Less Prepayment	\$0	\$0	\$0	0.00%
TOTAL REQUIREMENTS	\$559,099	\$174,668	\$733,767	100.00%
Source: 1999 Comprehensive Annual Financial Report				

Self-Supporting Debt: A significant portion of city debt is self-supporting even though it is issued as general obligation debt. The concept of self-supporting debt is that the use of borrowing proceeds will generate a stream of revenue that will offset related principal and interest payments. There are six major categories of self-supporting debt: tax incremental districts, special assessments, delinquent taxes, parking, water, and land bank.

Outstanding debt service requirements for these purposes as of December 31, 1999, was \$264.5 million, or approximately 36.0%, of total debt service requirements. The largest component of self-supporting debt is tax incremental districts, which total \$92.0 million. The remaining components are parking - \$33.0 million; water - \$75.9 million; special assessments - \$39.8 million; delinquent taxes - \$23.1 million; and land bank - \$824,000.

OVERLAPPING DEBT

City taxpayers not only pay for City of Milwaukee debt, but also the debt of other overlapping taxing jurisdictions. Overlapping debt is the combined debt obligation of all local units of government including the City of Milwaukee, Milwaukee County, Milwaukee Metropolitan Sewerage District (MMSD), and Milwaukee Area Technical College (MATC).

Table 6 shows the total direct and overlapping debt for all jurisdictions as of December 31, 1999. This debt totals \$979.7 million, of which the city's direct debt totaled \$527.8 million, or 53.9% of total overlapping debt.

Table 6

Summary of Net Direct and Overlapping Debt As of December 31, 1999 (In Thousands)				
Governmental Unit	Net Debt Outstanding	Percent Applicable to City	City Share of Debt	Percent of Total
Direct Debt				
City of Milwaukee	\$527,777	100.00%	\$527,777	53.87%
Overlapping Debt				
MATC	82,741	37.64%	31,144	3.18%
Milwaukee County	497,028	45.73%	227,291	23.20%
MMSD	412,444	46.92%	193,519	19.75%
TOTAL DEBT			\$979,731	100.00%
Source: 1999 Comprehensive Annual Financial Report				

OTHER DEBT (REVENUE BONDING)

Housing Authority and Redevelopment Authority Debt: The Housing Authority and the Redevelopment Authority of the City of Milwaukee are public corporations established under state law with authority to issue debt. The Housing Authority issues debt for the construction and renovation of housing for the elderly- and low-income persons, including veterans. Redevelopment Authority obligations are issued for blight elimination, economic

development, and urban renewal projects. Debt issued by either entity is not considered a direct obligation of the city and, consequently, is not backed by its general credit or taxing powers. For additional discussion on Housing Authority and Redevelopment Authority, see the "Department of City Development" summary in the *2001 Plan and Budget Summary*.

E. DELINQUENT TAX FUND

EXECUTIVE SUMMARY

PURPOSE:	To provide tax levy authority to fund the loss or shortfall resulting from the sale of tax deed parcels and to provide a reserve for delinquent taxes based on prior uncollectables.
STRATEGIC ISSUES:	Provide a funding mechanism to finance uncollectable taxes without affecting the city's tax levy.
INITIATIVES FOR 2001:	Continue efforts to return tax delinquent properties to the tax rolls and increase future city revenue. Aggressively pursue <i>in personam</i> actions against delinquent taxpayers.

BACKGROUND

Over 50 years ago, the city created the Tax Deficit Fund, the predecessor to the Delinquent Tax Fund. Initially, this fund grew as a result of profits on the sale of tax deed properties. This pattern held true until the mid-1970's. However, since the mid-70's, tax deed properties have generally been sold at a loss.

By 1981, the reserve balance for the Tax Deficit Fund became negative. In 1990, the Comptroller identified a liquidity problem relating to the city's holdings of uncollectable delinquent real estate and personal property taxes. This contributed to creation of the Delinquent Tax Fund.

When a tax deed parcel is sold or transferred for city use, the net profit or loss on each transaction is charged to the Delinquent Tax Fund. As a result, the Delinquent Tax Fund uses tax levy dollars to fund losses suffered on uncollectable taxes and on the sale of tax deed property. All costs related to maintenance, destruction, hazardous waste removal, etc., performed by the city prior to the city's acquisition of the property, are delinquent tax costs. Once the city has acquired the property, however, any new costs incurred are considered the responsibility of the Department of City Development.

ACTIVITIES

Administration: The Comptroller's Office administers the Delinquent Tax Fund. The Comptroller is authorized to make fund transfers in accordance with appropriations made to the fund.

The Delinquent Tax Fund receives funding from property taxes, proceeds from the sale of properties, and other funds that may be appropriated by the Common Council. Property tax funding covers the difference between the sale price of the property and the costs associated with the property. If costs are higher than the sale price, tax dollars are needed.

Appropriations are based upon the Comptroller's assumptions about the city's average uncollectable tax and tax deed property holdings over the past

three years. The bulk of this appropriation goes to offset increases in the city's holdings of (and anticipated losses on) tax deed property. However, if the city is successful at enforcing judgments against owners or re-selling the property at a profit, the required tax levy appropriations are lower.

In 2001, \$1.6 million will be dedicated to the Delinquent Tax Fund. This increase of \$200,000 over 2000 funding will be applied toward *in rem* foreclosure proceedings on properties that have potential environmental concerns. In 2001, the city will take a more proactive approach to redevelopment by expediting the foreclosure of these properties so they may be sold and revitalized for future use. The additional

funding will be used to offset any losses incurred through the sale of these properties.

Delinquent Property Maintenance: Maintenance of delinquent tax properties is the responsibility of the Department of City Development (DCD). These duties include acting as a landlord if there is a tenant present, paying utility bills, and yard maintenance. Costs associated with maintenance have the potential to be recovered at the time the property is sold. In 2000, the city began tracking these costs with the new Financial Management Information System.

PROGRAM CHANGES

In Personam Actions: In addition to *in rem foreclosure*, state law now allows *in personam* actions against delinquent taxpayers. This new law places the delinquent tax liability with the individual rather than the property, enabling the city to seek punitive action against delinquent property tax owners. Through the

use of *in personam* actions, the city has been able to recover approximately \$1 million in delinquent taxes. In 2001, the city will continue to pursue *in personam* legal action to recover additional delinquencies.

Brownfield Redevelopment: In 2001, the city will pursue redevelopment of tax delinquent properties suspected of contamination. This initiative will consist of recovering back taxes through *in personam* action, as well as testing and clean-up of contaminated properties. In addition, changes in state statutes have made it possible to foreclose on properties without entering into the chain of title. The city will use this tool on properties with high redevelopment potential. However, because the city usually takes a net loss when these properties are sold, the Delinquent Tax Fund has to make up the difference. The 2001 budget increases the Delinquent Tax Fund by \$200,000 to give additional flexibility in redeveloping tax delinquent properties.

SUMMARY OF EXPENDITURES

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Delinquent Tax Fund	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000
TOTAL	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000

SOURCE OF FUNDS

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Property Tax Levy	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000
TOTAL	\$1,400,000	\$1,400,000	\$1,600,000	\$200,000

F. COMMON COUNCIL CONTINGENT FUND

EXECUTIVE SUMMARY

PURPOSE:	To provide budgetary authority and funding to pay for emergency and other purposes that may arise during the year for which no express provisions have been made elsewhere in the city's budget.
STRATEGIC ISSUES:	Maintain the integrity of the fund as an "emergencies only" source of funds.
INITIATIVES FOR 2001:	Continue to adhere to adopted guidelines and information standards in considering requests for Contingent Fund withdrawals.

BACKGROUND

The Common Council Contingent Fund provides budgetary authority and funding to pay for emergency situations that require expenditures above and beyond budget authorizations. The fund also covers those situations for which no express provisions have been made in the annual budget.

Requests for Contingent Funds must meet one of the following criteria:

- Emergency circumstances;
- Obligatory circumstances; and
- Fiscal advantage and/or compliance with fiscal management principles.

Monies in this account may be expended only if approved by three-quarters of the Common Council. Recent expenditures from the fund have been made for snow and ice removal, flood clean-up, information system cost over-runs, and legal fees. Funds that are not expended from the Contingent Fund revert to the Tax Stabilization Fund.

On December 18, 1992, the Common Council passed a resolution (Common Council File 921360) which established guidelines and information standards relative to Finance and Personnel Committee review of Contingent Fund requests. These guidelines focus on:

- Timelines and process requirements; and
- Information that must be provided to the Finance and Personnel Committee when the department requests a Contingent Fund appropriation, which includes the following:
 - 1) A statement of the action requested, including the specific departmental account to which the Contingent Fund appropriation is requested to be made;
 - 2) Purpose of the action which includes the program service or activity to be supported by the funding as well as the objectives to be accomplished; and
 - 3) A description of the emergency that prompts the request.

These information standards were established to ensure that the Finance and Personnel Committee is fully aware of all issues affecting Contingent Fund requests.

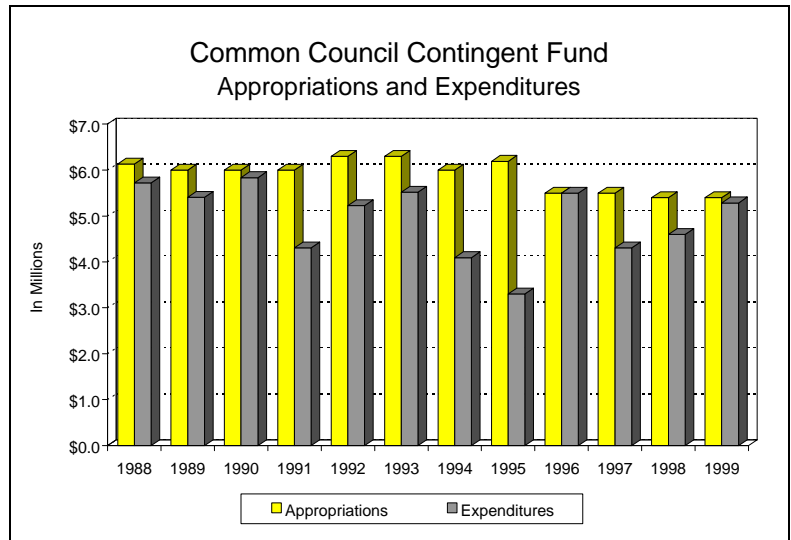
Limiting Contingent Fund requests to these criteria forces departments to manage within their allocated budgets and discourages use of the fund for initiating new projects or programs.

ACTIVITIES

The 2001 budget includes \$5.0 million for the Common Council Contingent Fund. As shown in Figure 1, Contingent Fund appropriations ranged between \$5.0 million and \$6.5 million from 1988-1999. During that period, total expenditures ranged from 53% of the appropriation in 1995 to 100% in 1996. The reduction in the Contingent Fund budget in recent years is due to expenditures being well below appropriations in each of the years from 1991 to 1995, as well as in 1997 and 1998. Average expenditures from the Contingent Fund between 1994 and 1999 were \$4.5 million.

In 1996 the entire fund was expended. However, in 1997, approximately 78%, or \$4.3 million of the Common Council Contingent Fund appropriation of \$5.5 million, was expended. In 1999, the amount spent increased to 97.9% of the total ap-

Figure 1



propriation. As of November 2000, \$1.64 million has been expended or reserved in the 2000 Common Council Contingent Fund.

SUMMARY OF EXPENDITURES

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Common Council Contingent Fund	<u>\$5,286,242</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$0</u>
TOTAL	\$5,286,242	\$5,000,000	\$5,000,000	\$0

SOURCE OF FUNDS

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Property Tax Levy	<u>\$5,400,000</u>	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$0</u>
TOTAL	\$5,400,000	\$5,000,000	\$5,000,000	\$0

SPECIAL REVENUE FUNDS

This section of the budget includes funds supported by revenues other than the city property tax levy. This section also includes internal service agencies, which provide services to other city departments and agencies and recover their costs by billing the users of their services.

The appropriations in this section are offset by revenues other than the city property tax. Any

property tax levies related to these special revenue funds are provided in other sections of the city's budget. The 2001 budget created two new special revenue funds. The first fund is to partially support solid waste collection expenses. In prior years, all solid waste costs were paid through general property taxes. The second fund will involve the collection of county delinquent taxes.

EXPENSE CATEGORY	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
G. Parking Fund	\$21,456,477	\$25,401,779	\$46,887,202	\$21,485,423
H. Grant and Aid Project Fund	59,263,288	72,385,581	79,774,019	7,388,438
I. Internal Service Agencies	6,076,352	0	0	0
J. Water Works	89,609,403	79,999,526	84,835,439	4,835,913
K. Sewer Maintenance Fund	8,895,942	30,475,620	33,385,434	2,909,814
L. Solid Waste Fund	0	0	35,541,537	35,541,537
M. Delinquent County Taxes Fund	<u>0</u>	<u>0</u>	<u>5,650,000</u>	<u>5,650,000</u>
TOTAL	\$185,301,462	\$208,262,506	\$286,073,631	\$77,811,125

G. PARKING FUND

EXECUTIVE SUMMARY

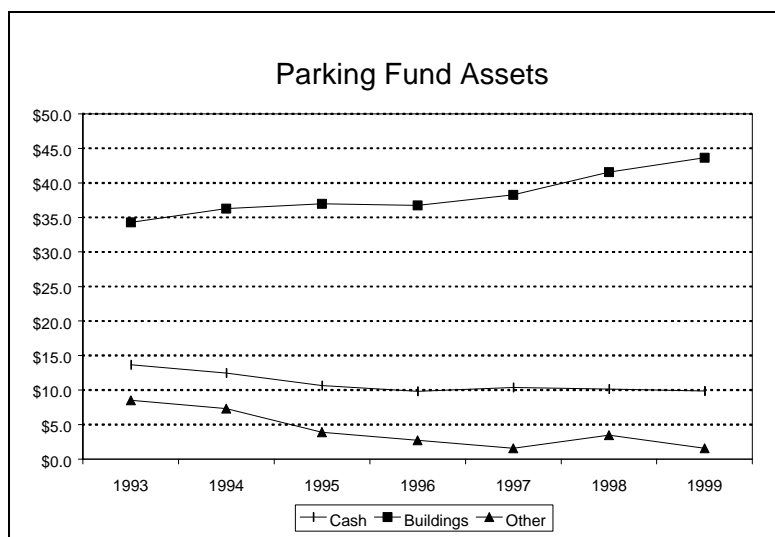
MISSION:	To provide clean, safe on- and off-street parking in a manner which maintains the financial solvency of the Parking Fund and independence from city tax levy funding.
STRATEGIC ISSUES:	Integrate parking policies and economic development goals. Maintain the fiscal health of the fund.
INITIATIVES FOR 2001:	Adjust parking structure rates to reflect other market rates. Monitor fund operations to ensure that the use of Parking Fund reserves are minimized.

BACKGROUND

The Parking Fund is an enterprise fund administered by the Department of Public Works (DPW). It receives revenues from parking activities which finance the city's on- and off-street parking expenses. The Parking Fund was established in 1949 to finance the operation and maintenance of parking meters. Since that time its responsibilities have expanded to include managing city-owned parking structures and lots, storing and disposing of towed vehicles, and administering the overnight parking permit program.

The purpose of the fund is to allow the city to finance parking activities through parking revenues rather than burdening taxpayers through the property tax. As of December 31, 1999, the Parking Fund had \$55 million of assets and \$25.6 million in outstanding debt service, making it a relatively healthy enterprise fund. As shown in Figure 1, the fund's assets are comprised primarily of buildings. The value of its buildings continues to increase. The fund's cash assets have

Figure 1



remained very stable over the past few years because the fund relies increasingly less on its cash reserves.

In 2001, \$960,000 will be withdrawn from the fund to reduce the city's tax-levy and rate.

DPW OBJECTIVE 19

Maintain the financial solvency of the Parking Fund by generating net revenues from parking activities and making additions to the fund's cash reserves.

OUTCOME HISTORY (see page 172)

Since the purpose of the fund is to provide a self-supporting source of revenue for city parking operations, a meaningful measure of the fund's performance is whether it fully funds its expenses and makes additions to its cash reserves. In order to fund fully its expenses, including operating and non-operating

expenses, the Parking Fund must generate sufficient revenue from its operating activities.

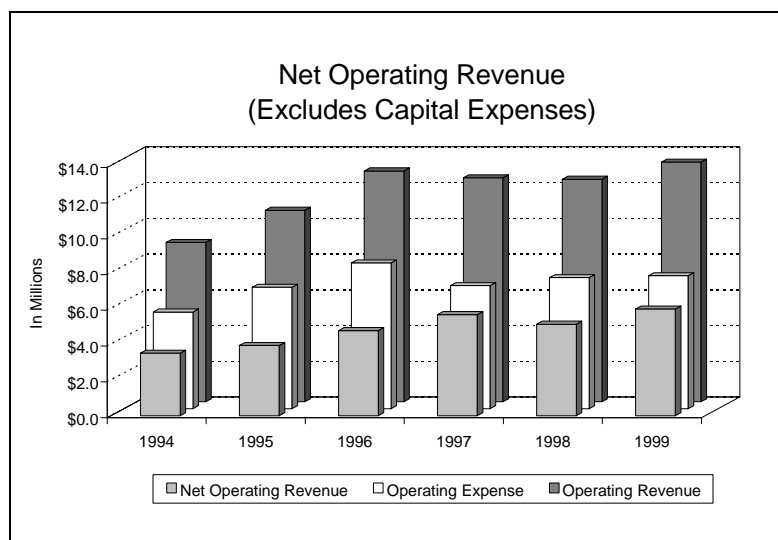
In recent years the fund has withdrawn reserves to fund its expenses, due to the large debt service related to construction and renovation of parking structures. The fund has also increased its net operating revenue. As shown in Figure 2, net operating revenue has increased gradually since 1994, although there was a 9.5% decrease in 1998. This decline in revenue in 1998 resulted from several one-time expenses associated with the tow lot expansion and decreased structure revenue resulting from extensive construction at the Second and Plankinton structure. The last withdrawal from cash reserves (\$234,000) occurred in 1998.

While net operating revenue measures the financial performance of the fund, it does not measure how well parking activities support the fund's other purpose: strengthening the local economy. The city's parking assets serve business needs throughout the city by making the marketplace accessible to customers and clients. Changes in parking restrictions and accommodations designed to better serve these needs contribute to the local economy by encouraging more visits to downtown for shopping, as well as recreation, tourism, and other activities. An indirect measure of this outcome is the change in meter revenue. As more people visit downtown, utilization of meters should increase, thereby increasing meter revenue. Meter revenue is projected to be \$3.5 million in 2001.

Program Result Measures: As part of the city's Financial Management Information System (FMIS), departments created new program result measures as a means of providing meaningful data-driven outcome measures for their programs. These measures will provide department staff and city policymakers with a simple and concise measure of program success. The Parking Fund created the following measures for its programs:

- **Towing:** The Parking Fund has established as its goal, for 2001, to recover 100% of the cost associated with vehicle towing and to have 68% of the 27,000 towed vehicles returned to their owners.
- **Surface Lots:** The fund expects to recover 100% of the costs associated with operating the surface lots.

Figure 2



- **Parking Meters:** The Parking Fund's 2001 goal for parking meters is to keep 99% of its 6,348 meters operational at all times and to service broken or malfunctioning meters within 24-hours of receiving a service call.
- **Parking Structures:** The 2001 goal for the Parking Fund is to recover 103% of the cost associated with operating the structures.
- **Parking Enforcement:** The 2001 goal is to achieve a checker productivity average of 76 tickets issued per shift and to respond to 95% of abandoned vehicle complaints within eight hours.
- **Parking Enforcement Communications:** The 2001 goal is to dispatch 99% of all tows and to answer 90% of all queued telephone calls within five minutes.

PROGRAMS AND ACTIVITIES

- Operation and maintenance of approximately 6,400 parking meters located throughout the city.
- Operation of four and capital management of five city-owned parking structures.
- Management of approximately 70 metered, leased, and permit parking lots.
- Towing illegally parked and abandoned vehicles and operating the city's tow lot.
- Enforcement of the city's parking ordinances.
- Administration of the city's citation processing and collection contract.

PROGRAM CHANGES

Improving Meter Services: The budget provides \$2,000 to label all parking meters with instructions

for reporting broken/defective meters to the city. This is provided as a customer service improvement and to improve the city's response to broken meters, which represent significant revenue loss.

Improving City Tow Lot Operations: In March 1998, the Common Council approved an ordinance authorizing the Parking Fund to expand the city tow lot in order to enable DPW to assume responsibility for all storage and disposal activities for vehicles towed under city towing contracts. Expansion of the tow lot was completed in August 1998. However, data from 1998 to 2000 shows that the expanded tow lot still does not cover the cost of its operation.

While overall towing revenue increased in 1999 and is expected to increase again in both 2000 and 2001, one of the tow lot's primary revenue sources has decreased dramatically. The tow lot sells unclaimed vehicles as scrap metal. The price of scrap metal has plummeted 26% since 1998.

The Fund is taking measures to increase net revenue from towing operations. In addition to studying methods to increase revenue from the sale of unclaimed cars, in 2001 the fund will also study the possibility of implementing a new tow reclamation fee that includes a greater amount for towing and storage of oversized vehicles.

Increasing Rates in Parking Structures: In September 2000, the Common Council approved an ordinance to increase the minimum and maximum rates that may be charged at city parking structures. The most immediate impact will be on special event rates, which are expected to increase by as much as \$5 for some events. The 2001 budget projects an overall increase in structure revenue of \$469,035. DPW will work with its structure manager to develop both monthly and daily rate increases appropriate to the market and to specific structures for implementation in 2001. It is the intent of the fund that city structure rates be consistent with rates charged by private parking facilities in the same area.

Transfer Parking Enforcement to the Fund: The 2001 budget marks the first time that the entire civilian enforcement aspect has been associated with the Parking Fund for the entire year. The 2000 budget had anticipated the transfer of the Civilian Parking Checkers to the Department of Public Works on January 1, 2000, with the transfer of the tow desk (dispatch function) and night parking desks officially

to follow on July, 1. This transfer was accelerated and all aspects of parking enforcement became operational in DPW on February 8, 2000. The transfer of authority involved the transfer of 45 Civilian Parking Checker positions and 17 Civilian Dispatch positions from the Police Department. Four new positions were also created to supervise and manage the various enforcement activities.

Transferring parking enforcement functions to DPW has consolidated most parking-related functions into a single department, allowing for better coordination and management of these functions.

The projected increase in productivity by the Parking Checkers was evident almost immediately. While in the Police Department each Checker averaged 50 tickets per shift. Since the transfer, average checker productivity was varied between a high of 99 tickets per shift, to a low of 56 tickets per shift. In the first year of operation, average productivity has fluctuated due to a number of vacancies, caused mostly by transfers. At one point more than one-fourth of authorized positions were vacant. Nevertheless, as of August 2000, tickets written by Parking Checkers increased 6.7% over the same period a year ago.

Additional Parking Checkers: During the first year of operations, DPW has initiated a number of enforcement productivity and service studies. Based on these studies, the 2001 budget includes 20 additional Parking Checker positions and four additional positions for telephone communications and dispatch service. Fifteen of the new Checker positions will be assigned to the third shift to improve night parking enforcement. Two positions will be assigned to the second shift to respond to citizen complaints, two positions will be assigned to the abandoned auto unit, and one position will be assigned to daytime neighborhood enforcement. Two dispatchers will be added to first shift to improve response time to abandoned-vehicle towing requests and citizen inquiries and two positions will be added to the night shift to facilitate response to night parking exception calls. The Parking Fund will also fund the equivalent of two additional clerical positions in the Police Department to improve DPW enforcement and tow lot access to National Stolen Vehicle Records Database (NCIC).

With full staffing, the Parking Fund will generate approximately \$21.7 million in citation revenue in 2001.

OTHER ACTIVITIES AND CHANGES

Transfer of Citation Processing to the Parking Fund: Management of the city's contract for the processing and collection of parking tickets has been a responsibility of DPW since 1993. The 2001 budget will fund this function through the Parking Fund. Previously the cost related to citation processing was funded in DPW-Administration Services Division. Excess revenue from the collection of parking citations will be paid to the General Fund at the end of the year. The 2001 budget provides for a revenue transfer of \$15.04 million from the Parking Fund to the city's General Fund.

Position Changes: The 2001 Parking Fund budget has a net increase of 27 positions. This increase rep-

resents a combination of full-year, reclassified and new positions resulting from the transfer of the parking enforcement activities to the Parking Fund. This increase in positions will cause the Parking Fund's budget to increase by approximately \$1.4 million; however, the increased revenue generated from additional Checkers and the associated towing exceeds funds in the Parking budget.

Citation Increase: In 2001, the price of all parking citations will increase by \$3.00. This increase will generate \$2.6 million. This additional revenue will be used to cover the cost of citation collections.

CAPITAL IMPROVEMENTS

The 2001 budget includes funding totaling \$1,750,000. These funds will be used to renovate the city's struc-

tures. In addition the fund will implement its capital planning maintenance program in 2001.

REVENUES

The Comptroller's Office reduced anticipated citation revenue by \$3.1 million from initial projections. They felt that a decrease in citation revenue that was experienced in September and October of 2000 would continue throughout 2001. Based on our projections,

this is a very conservative estimate that will understate parking revenues. The Budget Office will work with the department to insure that revenues from citations will be closer to the initial projections.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	89.50	89.50	123.25	33.75
FTEs - Other	0.00	0.00	0.00	0.00
Total Positions Authorized	99	99	125	26
DLH - Operations and Maintenance	57,600	161,100	221,850	60,750
DLH - Other Funds	0	0	0	0
EXPENDITURES				
Salaries and Wages	\$1,057,245	\$2,725,516	\$3,886,035	\$1,160,519
Fringe Benefits	270,876	572,165	1,243,531	671,366
Operating Expenditures	4,584,650	4,882,850	12,051,028	7,168,178
Equipment	0	50,000	530,785	480,785
Special Funds	6,308,265	7,171,248	7,384,738	213,490
TOTAL	\$12,221,036	\$15,401,779	\$25,096,117	\$9,694,338
Capital Projects	\$7,957,877	\$10,000,000	\$6,750,000	\$-3,250,000
Transfer to General Fund	0	0	15,041,085	15,041,085
Retained Earnings	1,277,564	0	0	0
TOTAL	\$21,456,477	\$25,401,779	\$46,887,202	\$21,485,423

STATEMENT OF REVENUES AND EXPENSES

OPERATING EXPENDITURES				
Structures	\$1,656,199	\$1,922,628	\$2,023,579	\$100,951
Meters	417,513	764,509	693,555	-70,954
Permits	38,151	181,000	48,000	-133,000
Towing	3,276,866	2,756,601	3,316,921	560,320
Lots	212,146	324,211	286,822	-37,389
Parking Enforcement	0	2,407,691	11,089,034	8,681,343
Debt Service	5,255,682	5,943,083	6,156,603	213,520
PILOT	1,052,583	1,228,165	1,228,165	0
Administration	311,896	173,891	253,438	79,547
Addition to Reserves	1,277,564	0	0	0
Trans Excess Rev to Gen Fund	0	0	15,041,085	15,041,085
TOTAL	\$13,498,600	\$15,701,779	\$40,137,202	\$9,394,338
OPERATING REVENUES				
Structures	\$5,664,322	\$5,519,788	\$5,988,823	\$469,035
Meters	3,142,270	3,513,500	3,465,000	-48,500
Permits	1,368,754	1,352,300	1,362,300	10,000
Towing	1,720,747	1,500,000	1,671,172	171,172
Lots	284,208	308,500	188,000	-120,500
Parking Enforcement	0	2,107,691	0	-2,107,691
Citation Processing Service	0	0	358,200	358,200
Parking Citation Revenue	0	0	21,741,090	21,741,090
Miscellaneous	40,811	0	0	0
Vehicle Disposal	1,277,488	1,100,000	1,325,256	225,256
Withdrawal from Reserves	0	0	4,037,361 *	4,037,361
TOTAL	\$13,498,600	\$15,401,779	\$40,137,202	\$24,735,423
CAPITAL EXPENDITURES				
Structures	\$2,086,917	\$10,000,000	\$6,750,000	\$-3,250,000
Surface Lots	0	0	0	0
Tow Lot	1,800	0	0	0
Miller Parking Improvements	5,869,160	0	0	0
TOTAL	\$7,957,877	\$10,000,000	\$6,750,000	\$-3,250,000
CAPITAL FINANCING				
Proceeds from Borrowing	\$6,633,160	\$0	\$1,750,000	\$1,750,000
Retained Earnings	1,324,717	10,000,000	5,000,000	-5,000,000
TOTAL	\$7,957,877	\$10,000,000	\$6,750,000	\$-3,250,000

* Please see discussion on page 271

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Parking Operations Manager (Operating Funding \$-54,746)	Positions eliminated.
-1	-1.00	Lead Parking Checker (Operating Funding \$-24,724)	
-2	-2.00	Tow Desk Manager (Operating Funding \$-36,680)	
-1	-1.00	Tow Lot Manager (Operating Funding \$-55,022)	
-12	-12.00	Clerk Dispatcher I (Operating Funding \$-148,345)	
-5	-5.00	Clerk Dispatcher II (Operating Funding \$-66,169)	
-1	-1.00	Citation Enforcement Manager (Operating Funding \$-48,6870)	
2	2.00	Parking Enforcement Supervisor (Operating Funding \$53,606)	Positions created to manage parking activities.
20	20.00	Parking Checker (Operating Funding \$507,709)	
16	16.00	Communications Assistant III (Operating Funding \$464,335)	
5	5.00	Communication Assistant IV (Operating Funding \$148,573)	
1	1.00	Parking Enforcement Manager (Operating Funding \$62,286)	
1	1.00	Parking Financial Manager (Operating Funding \$61,287)	
1	1.00	Towing and Parking Meter Manager (Operating Funding \$59,373)	
1	1.00	Parking Enforcement Assistant Manager (Operating Funding \$51,644)	
2	0.25	Tow Lot Attendant (Auxiliary) (Operating Funding \$7,721)	
0	9.50	Experience Adjustment	
26	33.75	TOTAL	

H. GRANT AND AID FUND

EXECUTIVE SUMMARY

PURPOSE: The Grant and Aid Fund provides expenditure authority for federal, state, and other grants whose proceeds are restricted to operating expenditures for specific purposes. These expenditures are to be made in accordance with the grant and aid process as stated in Common Council Ordinance 940843.

BACKGROUND

This fund serves as a "parent" account wherein grant funds accumulate prior to allocation on a project-by-project basis as the year progresses. The account has two major components:

- Grantor Share (Non-City)
- Local Share Out-of-Pocket (Current Levy)

Expenditures cannot be made directly against the parent account. In order to expend funds, a common council resolution must be adopted to authorize a specific project, create a sub-account, and allocate specific funding from the parent account. The fund provides expenditure authority for both planned and potential projects during the calendar year.

PROGRAM CHANGES

The 2001 Grant and Aid budget reflects an increase in expenditure authority for Grantor Share of \$20,505,731 above 1999 actuals, and \$7,383,438 above the 2000 budget (see Table 1). The total Grant and Aid budget is 35% over 1999 actual expenditures and 10% above the 2000 budget. The expenditure authority for In-Kind City Share has been eliminated in the 2001 budget because the city's Financial Management Information System (FMIS) no longer records this expenditure.

Health Department Grants: The Health Department is the largest recipient of grant funding among city departments. The total amount of grant projects anticipated in 2001 is \$19.6 million. The Municipal Health Service Program is the department's largest grant at \$11.9 million. Other large grants include the HUD Primary Prevention Grant (\$3 million), Women's, Infant's, and Children's Program (WIC) (\$1.2 million), Pregnancy Prevention Consortium

Community Block Grant Administration:

The Community Block Grant Administration (DOA) anticipates receiving approximately \$32.7 million in grant funds in 2001. These funds will be used to continue neighborhood strategic planning efforts so as to ensure that the city's federal block grant allocation is targeted toward city neighborhood priorities and needs. Approximately \$22 million of this anticipated funding will be applied toward the Community Development Block Grant (CDBG) Program. In addition, an anticipated \$8 million will be applied to the HOME Program. Other various programs throughout the administration will also receive anticipated funding.

Table 1

Comparison of Projected Grant Activity (Grantor Share)			
Department	2000	2001	Difference
DOA-Administration	\$ 31,205,000	\$ 32,750,000	\$1,545,000
City Development	137,000	225,000	88,000
Fire	4,428,872	4,688,972	260,100
Health	13,757,503	19,602,750	5,845,247
Library	831,450	926,005	94,555
Police	4,217,694	4,719,852	502,158
Public Works	2,808,062	2,856,440	48,378
Unanticipated	15,000,000	14,000,000	-1,000,000
Totals	\$72,385,581	\$79,769,019	\$7,383,438

Grant (\$448,000), Adolescent School Health Grant (\$425,000) and two Lead Detection and Poisoning Prevention Grants (\$920,000).

Police Department Grants: The Police Department anticipates receiving grants totaling \$4.7 million for 2001. This funding will primarily be applied toward the Local Law Enforcement Block Grant IV (\$1.1 million), HIDTA (\$1 million), and the Juvenile Accountability Block Grant (\$883,000).

Fire Department Grants: The Fire Department anticipates receiving two grants totaling \$4.68 million for 2001. In 2000, the Fire Department's grant funding increased substantially due to a change in budgeting for the County Paramedic Agreement. In years

past, the program was funded in the Fire Department's operating budget, which was offset by revenue received from the county. In 2000, the Fire Department received a grant to fund this program. In 2001, the Fire Department anticipates allocating \$4.64 million in grant funding for the County Paramedic Agreement.

Grant and Aid Current Levy: The 2001 Grant and Aid budget includes \$5,000 in a special purpose account for unanticipated Out-of-Pocket (Current Levy) expenses associated with grants requiring cash matches. Although few grants actually require cash matches, this appropriation will allow the city to accept a grant that it would otherwise be unable to accept because of lack of funding for a cash match.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Grantor Share (Non-City)	\$59,263,288	\$72,385,581	\$79,769,019	\$7,383,438
In-Kind City Share	0	15,552,604	0	-15,552,604
Local Share Out-of-Pocket (Current Levy)	0	0	5,000	5,000
Project Total	59,263,288	87,938,185	79,774,019	-8,164,166
Less In-Kind Contribution	0	-15,552,604	0	15,552,604
TOTAL	\$59,263,288	\$72,385,581	\$79,774,019	\$7,388,438

The Community Development Block Grant Program projects and amounts for each project approved (by the Common Council under resolution) for 2000 are as follows:

2001 Community Development Contract Awards

(Total award amounts listed alphabetically by organization)

Organization Name	Source of Funds				Total
	CDBG	HOME	SHELTER	HOPWA	All Awards
Adult Learning Center	\$25,196				\$25,196
Agape Community Center	55,000				55,000
AIDS Resource Center of Wisconsin				400,000	400,000
ASHA Family Service Inc	58,000				58,000
Black Health Coalition of Wisconsin	161,888				161,888
Boys and Girls Club of Greater Milwaukee	296,032				296,032
Capital Christian Center	100,000				100,000
Career Youth Development	85,196				85,196
Center for Teaching Entrepreneurship	28,833				28,833
Christ the King Development Corp	198,480				198,480
City Clerk's Office	58,000				58,000
Community Advocates	212,001		69,438		281,439
Community Block Grant Administration	1,029,000	145,000			1,174,000
Community Enterprises of Greater Milwaukee	123,138				123,138
Comptroller's Office	468,000	55,000			523,000
Council for the Spanish Speaking Inc	126,200				126,200
Counseling Center of Milwaukee	26,000		21,458		47,458
Daughters of Luke Ltd	235,041				235,041
Daystar Inc	28,000		29,933		57,933
Department of Administration-EOE	42,000				42,000
Department of City Development	684,200				684,200
Department of Neighborhood Services	2,119,985				2,119,985
Department of Public Works	40,000				40,000
Esperanza Unida Inc	233,595				233,595
Ezekiel Community Development Corp	100,000				100,000
Fair Lending Coalition	50,000				50,000
Guest House of Milwaukee Inc	77,000		101,951		178,951
Harambee Ombudsman Project Inc	379,619	278,681			658,300
Health Department	49,000				49,000
Hispanic Chamber of Commerce of Wisconsin	60,000				60,000
Hmong-American Friendship Association	111,800				111,800
Hope House	138,500		92,798		231,298
Housing Authority of the City of Milwaukee	33,655				33,655
Housing Resources Inc	90,000				90,000
Howard Fuller Education Fund	25,000				25,000
Hunger Task Force	330,000				330,000
Journey House Inc	187,000				187,000
LaCausa Inc	29,000		31,414		60,414
LAND and Community Village Project	150,000				150,000
Layton Boulevard West Neighborhood	20,000				20,000
Lincoln Center of the Arts	12,500				12,500
Lincoln Neighborhood Redevelopment Corp	177,611				177,611
Lincoln Park Community Center Inc	124,644				124,644
Lisbon Avenue Neighborhood Development	600,212				600,212
Martin Luther King Economic Development Corp.	203,975				203,975
Merrill Park Neighborhood Association	190,045				190,045
Metcalfe Park Residents Association	143,600				143,600
Metro Milwaukee Fair Housing Council	70,000				70,000
Mid-Town Neighborhood Association	181,844				181,844
Milwaukee Christian Center	117,500				117,500
Milwaukee Christian Center-NIP	976,559	732,162			1,708,721
Milwaukee Community Service Corp	136,285				136,285
Milwaukee LGBT Community Center Inc	18,750				18,750
Milwaukee Urban League	144,655				144,655
Milwaukee Women's Center Inc	116,000		84,599		200,599
Mitchell Street Development Opportunities Corp.	200,000				200,000
Modjeska Youth Theater Company	41,000				41,000
MPS-Andrew Douglas Academy	69,800				69,800
Neighborhood House of Milwaukee	66,715				66,715
Neighborhood Housing Services of Milwaukee	469,700				469,700
Neighborhood Improvement Development Corp	2,341,467	3,581,048			5,922,515
New Covenant Housing Corporation Inc	200,000				200,000

H. GRANT AND AID FUND

Organization Name	Source of Funds				Total All Awards
	CDBG	HOME	SHELTER	HOPWA	
Non-Profit Center of Milwaukee Inc	100,000				100,000
Northeast Milwaukee Industrial Development Corp	133,275				133,275
Northwest Side Community Development Corp	409,712				409,712
Open Gate			24,561		24,561
Opportunities Industrialization Center of Greater Milw	130,334	799,418			929,752
Project Respect Inc	74,735				74,735
RACM	2,231,800				2,231,800
Richard's Place				43,000	43,000
Right Alternative Family Service Center	85,700				85,700
Rosalie Manor Inc	30,000				30,000
Salvation Army			101,301		101,301
Select Milwaukee Inc	88,000				88,000
Sherman Park Community Association	318,430				318,430
Social Development Commission	655,172		103,237		758,409
Sojourner Truth House Inc	160,000		55,296		215,296
South Community Organization	311,553	688,097			999,650
Southside Organizing Committee	222,300				222,300
St Mary's Nursing Home	125,000				125,000
Strive Media Institute	200,000				200,000
Task Force on Family Violence Inc	103,000				103,000
United Community Center	50,000				50,000
Urban Sports Authority Inc	10,000				10,000
UWM Institute for Urban Health Partnerships	15,000				15,000
Walker's Point Development Corp	579,241	484,217			1,063,458
Walker's Point Youth and Family Center	77,000		24,131		101,131
West End Development Corp	500,020	458,229			958,249
Wisconsin Correctional Services	194,900				194,900
Woodland Pattern Inc	18,750				18,750
Word of Hope Ministries Inc	22,900				22,900
Work for Wisconsin Inc	118,400				118,400
YMCA of Metro Milwaukee-Holton Center	301,739	182,001			483,740
YMCA of Metro Milwaukee-North Central Branch	538,328	596,147			1,134,475
YMCA of Metro Milwaukee-Parklawn	25,814				25,814
YWCA of Greater Milwaukee	56,999		44,883		101,882
Total All Sources of Funds	\$22,755,323	\$8,000,000	\$785,000	\$443,000	\$31,983,323
Return to NSP Areas - Area 9	\$49,300				\$49,300
Dept of Public Works - Area 10	5,057				5,057
2001 CDBG Anticipated Total Allocations	\$22,809,680	\$8,000,000	\$785,000	\$443,000	\$32,037,680

I. INTERNAL SERVICE AGENCIES

This section included the budgets of departments and agencies whose primary mission was to provide services to other city departments and agencies. Internal service agencies recover their costs by billing users of their services.

In the 2000 budget, the last internal service agency was moved to the operating budget. Historic data is provided in the table that follows.

The city agency included in this section of the budget for historic purposes is the following:

DOA-Central Services Division – Consolidated in the Department of Administration operating budget in 2000. Some services will be provided on a reimbursable basis while services provided to non-city agencies will be offset by general fund revenue.

EXPENSE CATEGORY	1999	2000	2001	CHANGE
	ACTUAL EXPENDITURES	ADOPTED BUDGET	ADOPTED BUDGET	2001 ADOPTED VERSUS 2000 ADOPTED
DOA-Central Services Division	<u>\$6,076,352</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL	\$6,076,352	\$0	\$0	\$0

J. WATER WORKS

EXECUTIVE SUMMARY

MISSION:	Maintain the highest quality of service while providing a safe, reliable, and aesthetically pleasing supply of water.
	Ensure that water service is a key contributor in sustaining the economic prosperity of the City of Milwaukee, while protecting the quality of Milwaukee's environment.
STRATEGIC ISSUES:	Maintain the ability to respond to the presence of chemical and biological threats in Lake Michigan.
	Enhance the utility's finances by adding new customers without incurring major capital expenditures.
	Improve customer service and satisfaction.
INITIATIVES FOR 2001:	Continue to negotiate agreements to provide water service to new customers.
	Continue implementation of organizational changes to achieve operational efficiencies.
	Continue development of water quality controls.

BACKGROUND

The Department of Public Works Water Works is a municipally owned water utility regulated by the State of Wisconsin Public Service Commission (PSC). Water from Lake Michigan is provided to approximately 850,000 customers through the operation of two water treatment and filtration plants, various pumping stations, storage facilities, and 1,947 miles of water mains. Water Works treats and pumps approximately 48-billion gallons of water each year.

The rates at which water is sold are regulated by the PSC. From September 1994 to August 1999, Rate Order 3720-WR-102 authorized a maximum of 7.25% rate of return on investment for the Water Works. On August 30, 1999, the Water Works'

Table 1

MILWAUKEE WATER WORKS RATE OF RETURN				
	1997 Actual	1998 Actual	1999 Actual	2000 Estimate
GROSS REVENUE	\$53,535,519	\$54,206,025	\$55,142,772	\$58,041,350
Operating Expenses				
Operating Expenses	\$33,476,984	\$33,960,589	\$34,415,010	\$34,500,000
Depreciation	6,181,117	7,174,642	8,591,807	10,348,656
Taxes	7,814,206	7,975,218	7,136,101	7,500,000
TOTAL OPERATING EXPENSES	\$47,472,307	\$49,110,449	\$50,142,918	\$52,348,656
NET OPERATING INCOME	\$6,063,212	\$5,095,576	\$4,999,854	\$5,692,694
RATE BASE				
Utility Plant in Service	\$351,888,211	\$417,886,510	\$447,223,008	\$459,200,867
Materials and Supplies	2,073,801	2,397,427	2,704,613	3,000,000
Accumulated Depreciation	(98,317,587)	(103,393,161)	(109,596,680)	(119,945,336)
Contributions for Construction	(68,013,077)	(70,245,011)	(71,961,410)	(72,461,410)
RATE BASE - End of Year	\$187,631,348	\$246,645,765	\$268,369,531	\$269,794,121
RATE BASE - Average Net Investment	\$183,533,596	\$217,138,557	\$257,507,647	\$269,081,826
RATE OF RETURN (Net Operating Income/Rate Base)	3.30%	2.35%	1.94%	2.12%

requested 4.25% rate of return was authorized by the PSC. This equated to a 15% rate increase for residen-

tial customers, which was fully implemented by December 1999. As shown in Table 1, the 1999 actual rate of return was 1.94%. Water Works estimates a return of 2.12% in 2000.

Decreases in the rate of return are the result of several factors. Revenues are decreasing, primarily because of declining consumption. In addition, expenses are increasing due to higher depreciation, debt service payments and taxes related to extensive capital expenses for water quality improvement projects. Between 1997 and 1999, these factors will have decreased the utility's net operating income by 40%, while increasing its rate base, a measure of the assets which its income supports by 35%.

In order to earn sufficient revenue to maintain its current level and quality of services, Water Works

will be pursuing an additional rate change in 2001 through the filing of a Simplified Rate Case. This format has not been previously pursued by the utility. The strategy is to seek smaller rate increases to adjust for inflation on an on-going basis, rather than delay rate increases for several years. This strategy will facilitate a smooth transition to rate changes to offset inflation.

Water Works is also implementing a long-term strategy of reducing operating expenses by enhancing the efficiency of its operations. Methods include upgrading technology; cross-training staff; eliminating vacant positions; reallocating workloads across remaining staff; and conducting more preventative maintenance.

DPW OBJECTIVE 13

Provide safe, sufficient and aesthetically pleasing water, 100% of the time, at standards equal to or more stringent than required by the Safe Drinking Water Act, thereby reducing customer complaints to an average of less than 600 per year.

OUTCOME HISTORY (see page 171)

Water Works' activities are intended to ensure that customers are supplied with the highest quality drinking water. In 2001, the Water Works' budget provides \$59.0 million in operating funding and \$14.3 million in capital funding for this objective.

Water Works received 599 water quality complaints in 1999, a significant decrease of 30% from 1998. Of these complaints, 11% were substantiated as actually reflecting deteriorated water quality at the customer's tap. Water Works will strive to reduce the number of overall substantiated water quality complaints by 33% in 2001.

Customer complaints are not the only measure of water quality. Water Works implemented a new outcome indicator last year to provide a more thorough and meaningful measure of this objective: Percentage compliance with the Environmental Protection Agency's (EPA) Safe Drinking Water Act Standards. Full conformance with this measure indicates that Water Works follows required water treatment processes, monitoring procedures and maximum

allowable contaminant levels 365 days of the year or 100% of the time. Compliance is based upon monthly reports filed with the State of Wisconsin Department of Natural Resources. Compliance with EPA standards will protect public health by reducing the risk of contaminants, such as cryptosporidium, in drinking water. In 1999, Water Works achieved 100% compliance with the Safe Drinking Water Act.

PROGRAMS AND ACTIVITIES

- Supply and pumping - minimize operating costs while ensuring proper maintenance of purification, pumping, and storage facilities.
- Customer accounts:
 - Provide accurate billing and collection services;
 - Quickly repair meter damages; and
 - Handle all customer inquiries in a timely, efficient, and satisfactory manner.
- Water treatment - minimize plant operating and maintenance costs while fully complying with federal and state water quality standards.
- Distribution - repair main breaks within twenty-four hours.

PROGRAM CHANGES

Providing Service to New Customers: The Water Works has excess capacity. It can produce signifi-

cantly more water with minimal costs, creating the potential for increasing net revenue by expanding water sales to new customers. Water Works began selling wholesale water to Menomonee Falls in August 1999, beginning a ten-year contract, and with the Village of Butler in August 2000, beginning a ten-year contract. Selling water to these two new customers is estimated to increase sales by 1.4 billion gallons and revenues by \$950,000 annually.

The Water Works continues to look for opportunities to increase water sales and take advantage of existing treatment and pumping capacity by adding new customers. Currently, Water Works is evaluating the sale of water to the cities of Brookfield, Elm Grove, and New Berlin.

Water service will be extended to new customers if engineering studies indicate feasibility, if it is consistent with city goals, and provided it does not violate the federal prohibition against inter-basin water diversion. The latter regulation prevents the utility from soliciting customers west of the "divide" in eastern Waukesha County. By law, distribution of water from the Great Lakes is limited to consumption for those within the Great Lakes basin.

Operational Efficiencies: The 2001 budget includes several changes, which are part of a multi-year effort to achieve significant operational efficiencies in the Water Works. The purpose of this effort is to make the utility more competitive by implementing model operating practices from other utilities. These practices will enable the Water Works to maintain and improve the high quality of its services while significantly reducing operating costs.

As improvements in technology, organization, and operational procedures are implemented, the need for positions will be reduced. The 2001 budget eliminates ten positions, a 2.4% reduction in staff. The utility plans to consolidate position titles and implement cross-training, enabling it to make even further position reductions while maintaining current standards of customer service and water quality.

One of the technology improvements implemented in recent years is the Automatic Meter Reading (AMR) System. As of December 31, 1999, automatic readers were installed in 85% of all residences. The 2001 budget includes \$390,000 for AMR to convert large 1.5-inch and 2-inch meters used by multi-family residential and commercial customers.

Departmental Reorganizations: The 2001 budget includes several reorganizations that centralize different functions within the utility. Five Communication Assistant V positions are transferred from Distribution to Business. Fourteen Chemist and Laboratory Technician positions are transferred from Plants to Water Quality. The Plants Section is divided into two separate decision units, one for each of the two purification plants, Linnwood and Howard. This will allow the utility to collect more accurate cost data for each plant.

Rate Change: Water Works will petition the Public Service Commission for a rate increase in 2001. Water Works is pursuing a Simplified Rate Case that allows a small rate increase to compensate for the erosion of net revenue resulting from inflationary cost increases. This reflects a new strategy of pursuing small rate increases as needed to offset inflation. This should result in a more gradual increase in rates, rather than large jumps in rates every four-to-five years.

Create a City Service Bill: The 2001 budget includes a new user fee to recover a portion of the city's solid waste costs. To reflect more accurately how charges are billed, starting in 2001 the water bill will be titled "City Services Bill". Because Water Works will assist in the billing and collection for the new solid waste fee, a one time payment of \$150,000 will be provided for implementation costs. In addition, annual administration costs of \$350,000 will be provided from the new Solid Waste Fund to the Water Works. The fee is discussed in more detail in the "Solid Waste Fund" section of the *2001 Plan and Budget Summary*.

CAPITAL IMPROVEMENTS

The 2001 Water Works capital improvements budget is \$14.3 million, or \$2.2 million more than the 2000 capital budget, reflecting an increase in funding for

water main replacement. The capital budget includes \$12.4 million for water main improvements, a \$2.4 million increase from the 2000 budget. The 2001

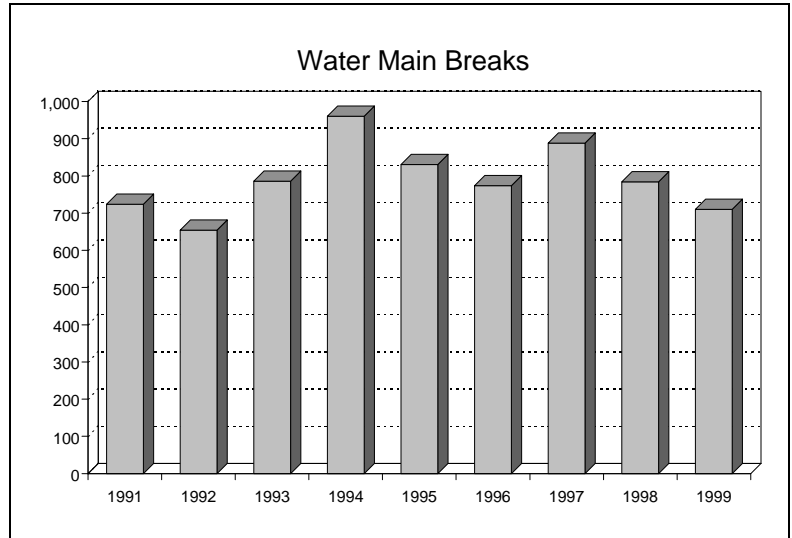
main program consists of \$10.2 million for distribution mains (16-inches in diameter and smaller), and \$2.2 million for feeder mains (20-inches in diameter and larger). The purpose of these improvements is to replace water mains before they break. Capital Improvement funding is estimated to reduce approximately 70 main breaks and 20 maintenance repairs of feeder mains per year. The mains improvement program includes \$1.2 million for installation of water mains in new developments; expenditures for these projects are reimbursed by revenues from developers.

The Water Main Replacement Program reduces both the main breaks and customer complaints of deteriorated water quality (usually from unlined iron mains). There is significant fluctuation in the annual number of main breaks, as shown in Figure 1, in part because factors outside the utility's control influence the number of main breaks. One of these factors is severe weather, such as occurred in January 1999. In this month alone, there were 301 breaks, about double the usual number for January. In 1999, there were a total of 710 main breaks, a decrease of 74 or 9.4% from 1998. This is the second consecutive year that the number of main breaks has decreased and represents the lowest number of breaks since 1992.

The remaining \$1.9 million in the capital budget is for improvements in the Water Works facilities, including:

- Howard and Linnwood Plants building improvements totaling \$400,000 for security up-

Figure 1



grades at both plants to protect key areas of the plant, thereby protecting drinking water.

- Howard and Linnwood Plant treatment improvements of \$710,000 to upgrade mechanical equipment and chemical feed systems to keep current with changing technology in the water purification industry.
- Pump facilities improvements of \$150,000 to install adjustable frequency drive pumps at various pump stations to increase efficiency and lower operating costs.
- Storage facilities improvements of \$600,000 to repair clearwells at the Howard Plant to prevent infiltration of groundwater into the drinking water storage tanks.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	361.2	389.38	392.30	2.92
FTEs - Other	17.02	23.16	12.28	-10.88
Total Positions Authorized	443	412	400	-12
DLH - Operations and Maintenance	650,168	671,059	671,610	551
DLH - Other Funds	30,636	41,695	22,100	-19,595
EXPENDITURES				
Salaries and Wages	\$14,805,056	\$14,371,385	\$15,221,271	\$849,886
Fringe Benefits	4,419,677	4,455,127	5,175,231	720,104
Operating Expenditures	24,289,905	28,186,714	27,642,144	-544,570
Equipment	730,631	1,581,300	1,357,167	-224,133
Special Funds	<u>22,351,800</u>	<u>9,040,000</u>	<u>9,589,626</u>	<u>549,626</u>
TOTAL	\$66,597,069	\$57,634,526	\$58,985,439	\$1,350,913

CAPITAL BUDGET SUMMARY

CAPITAL BUDGET				
Main Program	\$6,249,660	\$10,050,000	\$12,415,000	\$2,365,000
Plants	<u>8,137,674</u>	<u>2,070,000</u>	<u>1,860,000</u>	<u>-210,000</u>
TOTAL CAPITAL BUDGET	\$14,387,334	\$12,120,000	\$14,275,000	\$2,155,000
CAPITAL FINANCING				
Retained Earnings	\$244,813	\$10,245,000	\$11,575,000	\$1,330,000
Proceeds from Borrowing	12,686,225	0	0	0
Assessments	0	0	0	0
Developer Financed	0	375,000	1,200,000	825,000
Interest Earnings	<u>1,456,296</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
TOTAL CAPITAL FINANCING	\$14,387,334	\$12,120,000	\$14,275,000	\$2,155,000

**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

REVENUES				
Operating	\$58,716,043	\$62,445,000	\$61,239,963	\$-1,205,037
Non-Operating	1,456,296	3,415,246	2,517,784	-897,462
Withdrawal From Retained Earnings	<u>15,049,730</u>	<u>2,019,280</u>	<u>6,802,692</u>	<u>4,783,412</u>
TOTAL REVENUES	\$75,222,069	\$67,879,526	\$70,560,439	\$2,680,913
EXPENDITURE AUTHORIZATIONS				
Operating	\$66,597,069	\$57,634,526	\$58,985,439	\$1,350,913
Capital Funding from Retained Earnings	8,625,000	10,245,000	11,575,000	1,330,000
Deposit to Retained Earnings	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL AUTHORIZATIONS				
OPERATING AND DEPOSITS	\$75,222,069	\$67,879,526	\$70,560,439	\$2,680,913

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Business Decision Unit			
-1	-1.00	Special Assistant Water (Operating Funding \$-88,106)	Reduce funding because of anticipated vacancy.
1	0.50	Special Assistant Water (Aux.) (Operating Funding \$44,935)	
-1	-1.00	System Analyst-Senior (Operating Funding \$-53,290)	Reflect 1999 reclassification.
1	1.00	Network Coordinator-Senior (Operating Funding \$46,414)	
-2	-2.00	Engineering Drafting Technician IV (Operating Funding \$-76,072)	Transfer to Engineering.
-1	-1.00	Water Accountant II (Operating Funding \$-40,951)	Replace position with auxiliary authority to respond to workload as needed. Vacancy is anticipated.
1	0.50	Accountant III (Aux.) (Operating Funding \$23,927)	
-4	-2.00	Meter Reader Residential (Aux.) (Operating Funding \$-64,060)	Reductions resulting from AMR implementation.
-1	-0.50	Meter Reader Commercial (Aux.) (Operating Funding \$-16,380)	
-2	-2.00	Accounting Assistant III (Operating Funding \$-68,001)	Reclassification of positions.
-1	-1.00	Program Assistant I (Operating Funding \$-32,809)	
3	3.00	Program Assistant II (Operating Funding \$103,618)	
-1	-1.00	Water Teller II (Operating Funding \$-24,116)	Eliminate vacant position because of decreased workload.
-1	-1.00	Customer Service Representative II (Operating Funding \$-29,918)	Technical correction
1	1.00	Customer Service Representative III (Operating Funding \$31,435)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-0.67	Water Meter Technician II (Aux.) (Operating Funding \$-10,172)	Eliminate positions because of AMR implementation.
-4	-2.00	Water Meter Technician I (Aux.) (Operating Funding \$-64,923)	
1	1.00	Water Communication Center Sprvtr (Operating Funding \$58,524)	Transfer from Distribution.
5	5.00	Communications Assistant V (Operating Funding \$169,178)	
		Miscellaneous Adjustments	
	0.22	Operating	
	-0.04	Non-Operating	
Plants North Decision Unit			
-1	-1.00	Office Assistant III (Operating Funding \$-30,209)	Reclassification of position.
1	1.00	Office Assistant IV (Operating Funding \$30,062)	
-1	-1.00	Water Maintenance Supervisor (Operating Funding \$-56,374)	Technical correction.
1	1.00	Water Plant Maintenance Asst Supv (Operating Funding \$57,503)	
-2	-1.00	Water Plant Laborer (Operating Funding \$-31,520)	Transfer of authority to auxiliary.
2	1.00	Water Plant Laborer (Aux.) (Operating Funding \$31,520)	
-1	-1.00	Electrical Service Supervisor I (Operating Funding \$64,026)	Reflect 2000 reclassification
1	1.00	Electrical Service Supervisor II (Operating Funding \$65,666)	
-1	-1.00	Inventory Control Assistant III (Operating Funding \$-31,359)	Reclassification of position.
1	1.00	Office Assistant IV (Operating Funding \$32,947)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Electric Mechanic (Operating Funding \$-46,540)	Reflect position reclassification made in 2000.
1	1.00	Plant Automation Specialist (Operating Funding \$46,540)	
-4	-4.00	Water Chemist II (Operating Funding \$-159,009)	Transfer to Water Quality.
-1	-1.00	Water Laboratory Technician (Operating Funding \$-29,507)	
-1	-0.50	Water Chemist II (Emergency Aux.) (Operating Funding \$-18,916)	
-1	-1.00	Water Chemist II (Aux.) (Operating Funding \$-39,984)	
-3	-3.00	Water Chemist II (Operating Funding \$-15,220)	
-1	-1.00	Water Laboratory Technician (Operating Funding \$-29,254)	
-1	-0.50	Water Chemist II (Emergency Aux.) (Operating Funding \$-18,916)	
-2	-2.00	Water Chemist II (Aux.) (Operating Funding \$-75,664)	
-1	-1.00	Water Plants Manager (Operating Funding \$-77,567)	Transfer to South Plant.
-1	-1.00	Water Plants Operations Manager (Operating Funding \$-64,217)	
-1	-1.00	Office Assistant III (Operating Funding \$-30,209)	
-5	-5.00	Water Plant Operator in Charge (Operating Funding \$-215,262)	
-5	-5.00	Water Plant Operator III (Operating Funding \$-186,235)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-5	-5.00	Water Plant Operator II (Operating Funding \$-175,370)	Transfer to South Plant.
-4	-4.00	Water Plant Operator I (Operating Funding \$-129,922)	
-1	-0.25	Water Plant Oper in Charge (Aux.) (Operating Funding \$-8,632)	
-1	-0.25	Water Plant Operator III (Aux.) (Operating Funding \$-8,030)	
-1	-0.25	Water Plant Operator II (Aux.) (Operating Funding \$-7,626)	
-5	-5.00	Water System Operator in Charge (Operating Funding \$-215,262)	
-1	-1.00	Water Maintenance Supervisor (Operating Funding \$-52,895)	
-2	-2.00	Machinist I (Operating Funding \$-86,105)	
-1	-1.00	Power Plant Steamfitter (Operating Funding \$-43,052)	
-1	-1.00	Maintenance Millwright (Operating Funding \$-38,591)	
-1	-1.00	Water Plant Heat and Ventilation Mech (Operating Funding \$-38,951)	
-4	-4.00	Plant Mechanic II (Operating Funding \$-140,296)	
-1	-1.00	Water Plant Laborer (Operating Funding \$-31,724)	
-3	-1.50	Water Plant Laborer (Operating Funding \$-47,510)	
-2	-2.00	Booster Station Operator (Operating Funding \$-72,770)	
-2	-2.00	Electrical Mechanic (Operating Funding \$-98,453)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-3	-3.00	Instrument Technician I (Operating Funding \$-117,970)	Transfer to South Plant.
-1	-1.00	Electrical Mechanic Apprentice (Aux.) (Operating Funding \$-28,906)	
	-2.92	Miscellaneous Operating Adjustment	
Engineering Decision Unit			
2	2.00	Drafting Technician IV (Operating Funding \$86,730)	Transfer from Business.
-1	-1.00	Office Assistant II (Operating Funding \$-26,611)	Reclassification of position.
1	1.00	Office Assistant III (Operating Funding \$29,773)	
-1	-1.00	Engineering Drafting Technician IV (Operating Funding \$48,650)	Eliminate vacant position.
-1	-1.00	Mechanical Engineer II (Operating Funding \$-52,149)	Eliminate vacant position because of decreased workload.
	9.00	Miscellaneous Adjustments Operating	
	-10.01	Non-Operating	
Distribution Decision Unit			
-1	-1.00	Microcomputer Coordinator-Senior (Operating Funding \$-49,618)	Transfer to Business and reclassify as Water Communications Center Supervisor.
-5	-5.00	Communications Assistant (Operating Funding \$-170,004)	Transfer to Business.
-1	-1.00	Water Maintenance Mechanic (Operating Funding \$-33,258)	Reflect prior reclassification of position.
1	1.00	Equipment Mechanic (Operating Funding \$35,575)	
1	1.00	Distribution Service Specialist (Operating Funding \$51,846)	Create position to reduce reliance on contract work.

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-0.25	Water Yard Equip Operator (Aux.) (Operating Funding \$-7,918)	Eliminate auxiliary authority.
-1	-0.25	Water Material Clerk III (Aux.) (Operating Funding \$-8,007)	
		Miscellaneous Adjustments	
	0.11	Operating	
	-0.83	Non-Operating	
Water Quality Decision Unit			
1	1.00	Water Microbiologist II (Operating Funding \$37,452)	Position created because of increased workload.
7	7.00	Water Chemist II (Operating Funding \$290,271)	Transferred from Plants.
2	1.00	Water Chemist II (Emergency Aux.) (Operating Funding \$38,217)	
3	3.00	Water Chemist II (Aux.) (Operating Funding \$114,642)	
2	2.00	Water Laboratory Technician (Operating Funding \$58,727)	
	0.41	Miscellaneous Operating Adjustment	
Plants South Decision Unit			
1	1.00	Plant Operation Manager (Aux.) (Operating Funding \$57,979)	Create auxiliary authority.
1	1.00	Water Plants Manager-South (Operating Funding \$79,120)	Transfer from North Plant.
1	1.00	Water Plants Operations Manager (Operating Funding \$69,637)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
5	5.00	Water Plant Operator in Charge (Operating Funding \$218,305)	Transfer from North Plant.
5	5.00	Water Plant Operator III (Operating Funding \$184,929)	
5	5.00	Water Plant Operator II (Operating Funding \$179,137)	
4	4.00	Water Plant Operator I (Operating Funding \$129,699)	
1	0.25	Water Plant Oper in Charge (Aux.) (Operating Funding \$10,154)	
1	0.25	Water Plant Operator III (Aux.) (Operating Funding \$8,879)	
1	0.25	Water Plant Operator II (Aux.) (Operating Funding \$8,407)	
5	5.00	Water System Operator in Charge (Operating Funding \$219,370)	
1	1.00	Water Maintenance Supervisor (Operating Funding \$53,954)	
2	2.00	Machinist I (Operating Funding \$87,322)	
1	1.00	Power Plant Steamfitter (Operating Funding \$43,661)	
1	1.00	Maintenance Millwright (Operating Funding \$40,545)	
1	1.00	Water Plant Heat and Ventilation Mech (Operating Funding \$40,545)	
4	4.00	Plant Mechanic II (Operating Funding \$143,310)	
1	1.00	Water Plant Laborer (Operating Funding \$33,330)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
3	1.50	Water Plant Laborer (Operating Funding \$47,279)	Transfer from North Plant.
2	2.00	Booster Station Operator (Operating Funding \$72,770)	
2	2.00	Electrical Mechanic (Operating Funding \$98,453)	
3	3.00	Instrument Technician I (Operating Funding \$123,943)	
1	1.00	Electrical Mechanic Apprentice (Aux.) (Operating Funding \$29,531)	
1	1.00	Office Assistant IV (Operating Funding \$30,226)	Position transferred from North Plant and reclassified.
		Office Assistant III (Operating Funding \$30,209)	
	2.77	Miscellaneous Operating Adjustment	
-12	-7.96	TOTAL	

K. SEWER MAINTENANCE FUND

EXECUTIVE SUMMARY

STRATEGIC ISSUES:	Provide for fair distribution of sewer maintenance costs based on usage.
	Maintain an efficient and effective sewer system.
	Improve water quality to meet federal requirements.
	Customer service and satisfaction.
INITIATIVES FOR 2001:	Increase efficiency in various operations through consolidation and/or reallocation of workloads.
	Continue the Sanitary Manhole Rehabilitation Program, which will reduce infiltration and inflow into the city's sanitary sewer system.
	Implement a cash-conversion program for the Relay Sewer capital program.
	Continue Sanitary System Evaluation Survey (SSES) in compliance with MMSD rules.

BACKGROUND

The 1998 budget established a new enterprise fund for sewer maintenance expenses. The Sewer Maintenance Fund (created in accordance with Wisconsin State Statutes, section 66.076, which permits municipalities to implement sewer fees to recover the costs of operation, maintenance, repair, and depreciation of sewer collection and transportation facilities) recovers sewer maintenance costs through a user fee rather than through the property tax.

The City of Milwaukee implemented a sewer maintenance fee to achieve three principal goals:

- To fairly distribute sewer maintenance costs according to usage;
- To require property tax-exempt sewer users to pay their portion of the sewer costs; and
- To allow for direct comparison of costs and tax rates with other municipalities that recover sewer costs through a user fee.

The former method of using property taxes to support sewer maintenance failed to link consumers' use

of the system with costs of maintaining the system; the amount users paid bore no relationship to actual use of the sewer system. As a result, subsidies existed between property classes as well as within property classes.

The city's sewer maintenance fee allocates sewer maintenance costs based upon users' actual water consumption, which serves as a proxy for the amount of water returned to the sewer system. However, not all water consumed by users returns to the sewer system. Water used by residents for gardening purposes and a portion of the water used in certain industrial and commercial business processes does not enter the sewer system. The fee allows for several adjustments to compensate for non-sewer related consumption of water.

The DPW-Infrastructure Services Division administers the Sewer Maintenance Fund, including oversight of personnel and activities. The city bills and collects for the sewer fee as part of the city's quarterly city service bill. The Milwaukee Water Works records billing and collection information and revises fee amounts as needed.

2001 Sewer Maintenance Rate

The 2001 rate for the sewer maintenance fee will equal \$0.5401 per 100 cubic feet (ccf) of discharged water, an 18.8% increase over the 2000 rate. For a typical single-family residential property this change will result in an annual increase of \$6.45 in the sewer maintenance bill.

This rate change is based upon several major factors as shown in Table 1. Water consumption remained relatively constant, decreasing by 2.5% (848,000 ccf) from the prior year. The operating budget includes a \$2.5 million increase (16%). Most of this increase is the result of expanded infiltration and inflow efforts resulting from a mandate from the Milwaukee Metropolitan Sewerage District. Smaller increases are included for contingencies

Table 1

Percentage Change in Sewer Maintenance Rate Charge per 100 Cubic Feet				
	Water Quantity/ Budget	Percent Change in Rate	Change in Rate	Impact on Single Family Residence
Water Consumption				
1999 Change	(847,803)	2.54%	\$0.0116	\$1.03
Total Water Adjustment	(847,803)	2.54%	\$0.0116	\$1.03
Cost Increases				
Sanitary Manhole Rehabilitation	\$1,191,000	7.85%	\$0.0356	\$2.55
Debt Service	177,518	1.15%	0.0051	0.37
Contingencies	174,186	1.17%	0.0052	0.38
Other	937,860	6.18%	0.0280	2.12
Total Cost	\$2,480,564	16.35%	\$0.0739	\$5.42
Total Change		18.89%	\$0.0855	\$6.45
	User Fee		Rate	Single Family Impact
Total 2001	\$18,020,434		\$0.5401	\$54.89
Total 2000	\$15,539,870		\$0.4546	\$48.44
Difference	\$2,480,564		\$0.0855	\$6.45

(\$174,186), debt service (\$177,516) and salaries and fringe benefits (\$391,070).

DPW OBJECTIVE 15

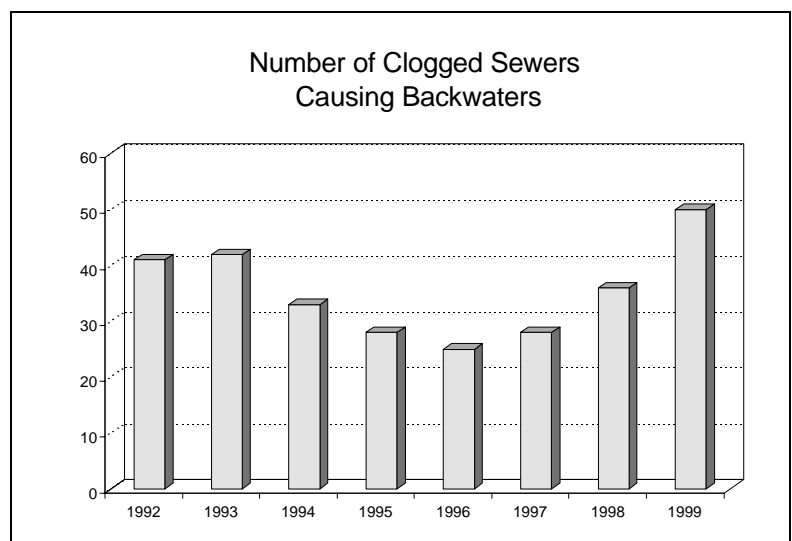
Provide and maintain systems for storm and wastewater conveyance by limiting service backups to 45 to 55 incidents and street flooding to 6,000 incidents.

OUTCOME HISTORY (see page 171)

Assessing the condition of Milwaukee's 2,458 mile sewer underground system requires the use of both visual and televised inspections. In 2001, \$19.9 million in operating funding is allocated to maintain and improve the sewer systems, including \$18.1 million under the direction of the Sewer Maintenance Fund. In addition, \$20.9 million in capital and \$1.1 million in grant funding are provided.

The number of clogged sewers causing backwater and the number of street floodings are important indicators of the condition of the city's sewer systems and private building services. These types of complaints indicate potential clogged sewers and catch basins/storm inlet, inflow/infiltration both from the city system and private services, illegal connections, collapsed sewers, and/or poor hydraulics. Figure 1 shows the number of incidents where backwaters or sewerage flowed into homes between 1992

Figure 1



and 1999 because the main sewer was either clogged or had collapsed. In 1999, the number of incidents increased by 14. Figure 2 shows the number of street floodings between 1995 and 1999. These incidents decreased by 609 or 15.7%.

Weather conditions play a major role in these outcomes, explaining the extreme variability in the

number of complaints received from year-to-year. For example, severe storms in both 1997 and 1998 resulted in severe flooding of the area's drainage channels, streams and rivers. The city received disaster relief funding from the Federal Emergency Management Agency in both years.

Although the primary goal of the sewer fund is to maintain an efficient sewerage system, another goal is to improve stormwater quality. Unlike sewerage, stormwater runoff generally flows untreated into area rivers and lakes. As the runoff moves toward these bodies of water, it picks up and carries various forms of pollutants, adversely affecting water quality. The city improves the quality of the stormwater by meeting Federal Clean Water Standards monitored by the Wisconsin Department of Natural Resources (DNR).

In 1999, the city continued to comply with the Wisconsin Pollutant Discharge Elimination System Permit issued by the DNR. The DNR also requires implementation of "Best Management Practices" designed to reduce types and amounts of pollutants that flow into storm sewers. These practices range from regulating lawn fertilizing to street sweeping.

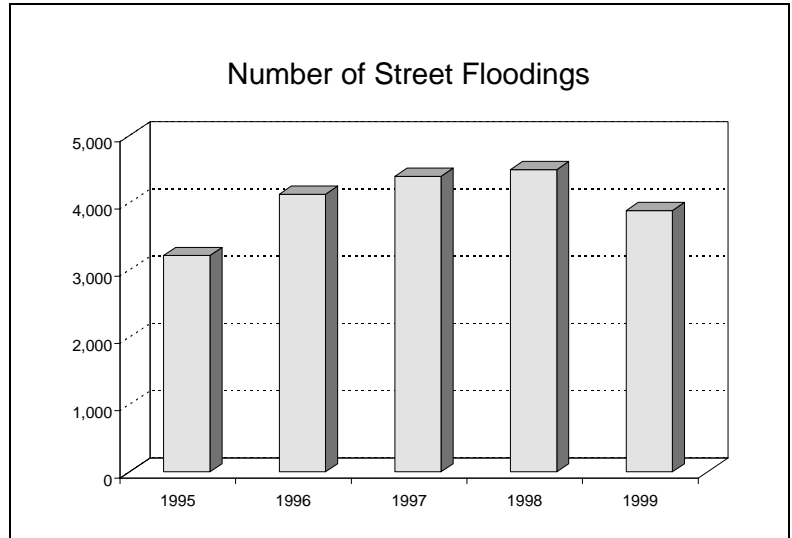
ACTIVITIES

- Design, engineering, and construction of new and existing sewers
- Sewer lining
- Sewer cleaning and maintenance
- Sewer condition assessment and examination
- Meeting requirements of the stormwater and crossover permits.

PROGRAM CHANGES

Infiltration and Inflow Activities: As a result of a mandate from the Milwaukee Metropolitan Sewerage

Figure 2



District, the Sewer Fund has implemented a more intensive program of investigation and remediation of infiltration and inflow into the city's sewer system. The 2001 budget includes \$2.15 million in manhole rehabilitation, \$223,430 for manhole inspections, \$375,000 for smoke testing, and \$468,000 for flow monitoring. The purpose of these activities is to reduce the amount of infiltration and inflow, thereby minimizing the number of backups and other problems in the sewer system. These activities may be expanded in the future.

Position Changes: The 2001 budget includes creation of a Sewer Maintenance Program Manager position, which involves transferring the Inspection and Records Manager position from DPW-Infrastructure Services Division to the Sewer Maintenance Fund. In addition, one Management Civil Engineer-Senior position is eliminated and one Civil Engineer III position is created. These changes will streamline management and provide additional staff for infiltration and inflow efforts.

CAPITAL IMPROVEMENTS

The 2000 budget transferred the Relief and Relay Sewer capital program from the city's capital improvement budget to the Sewer Maintenance Fund. The capital improvement budget still includes the expansion of capacity and developer-financed sewer

programs, which are managed by the DPW-Infrastructure Services Division. The amount in new and existing sewer construction for 2001 is \$20.9 million, with \$15.3 million in the Sewer Maintenance Fund and \$5.6 million in the city's capital budget.

See the Capital Improvements Section of the 2001 Plan and Budget Summary for more information on sewer capital programs.

Cash Conversion Policy: In order to realize long-term savings by avoiding unnecessarily high debt service costs, a cash conversion policy will be developed in 2001 for the Sewer Maintenance Relay Program. A cash conversion policy is appropriate because the program, while funded in the capital budget, is an ongoing maintenance and preservation

program. It preserves the condition of the current infrastructure by annually replacing a portion of the sewer system. The major advantage of cash financing is the substantial long-term savings realized through debt service avoided. This policy will balance increased current costs and future savings so as to make annual fee increases manageable and acceptable. As a first step toward implementing this policy, the 2001 budget cash finances 5%, or \$765,000 of the Sewer Maintenance Relay Program.

BUDGET SUMMARY

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	85.81	101.90	96.95	-4.95
FTEs - Other	30.52	37.90	36.05	-1.85
Total Positions Authorized	190	190	191	1
DLH - Operations and Maintenance	155,468	184,020	174,510	-9,510
DLH - Other Funds	54,928	68,280	60,290	-7,990
EXPENDITURES				
Salaries and Wages	\$3,540,741	\$3,579,594	\$3,846,717	\$267,123
Fringe Benefits	1,087,684	1,145,470	1,269,417	123,947
Operating Expenditures	4,161,983	6,737,946	7,921,065	1,183,119
Equipment	534	61,250	113,800	52,550
Special Funds	105,000	4,391,360	4,934,435	543,075
TOTAL	\$8,895,942	\$15,915,620	\$18,085,434	\$2,169,814
Capital Projects	\$0	\$14,560,000	\$15,300,000	\$740,000
TOTAL	\$8,895,942	\$30,475,620	\$33,385,434	\$2,909,814
REVENUES				
Charges for Services	\$15,308	\$146,000	\$100,000	\$-46,000
Equipment contribution	18,503	61,250	0	-61,250
Plat and Plan Review	26,402	500	0	-500
Miscellaneous Revenue	26,197	168,000	730,000	562,000
Proceeds from Borrowing	0	14,560,000	14,535,000	-25,000
Sewer Maintenance Fee	8,910,829	15,539,870	18,020,434	2,480,564
TOTAL	\$8,997,239	\$30,475,620	\$33,385,434	\$2,909,814

CAPITAL PROJECTS - The Sewer Maintenance Fund includes \$15,300,000 in capital improvement expenses. The city's capital budget includes an additional \$5,550,000 for the following sewer capital projects:

- | | |
|--|-------------|
| a. Expansion of Capacity Sewer Program | \$5,050,000 |
| b. Developer Financed Sewers | \$500,000 |

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
-1	-1.00	Management Civil Engineer-Senior (Operating Funding \$-76,192)	Streamline management structure in Design Section.
1	1.00	Civil Engineer III (Operating Funding \$57,507)	Provide additional staff for infiltration and inflow efforts.
1	1.00	Sewer Maintenance Program Manager (Operating Funding \$37,274)	Transfer from the Infrastructure Services Division.
0	-5.95	Miscellaneous Operating] Experience adjustment.
0	-1.85	Miscellaneous Non-Operating	
1	-6.80	TOTAL	

L. SOLID WASTE FUND

EXECUTIVE SUMMARY

STRATEGIC ISSUES:

Provide for fair distribution of collection costs.

Maintain an efficient and effective garbage collection system.

Keep Milwaukee's neighborhoods clean and healthy.

Maintain the safety of city streets during snow and ice emergencies while minimizing the use of salt.

Reduce the amount of residential solid waste disposed in city landfills.

INITIATIVES FOR 2001:

Implement a fee for solid waste collection.

Further enhance the cleanliness of the city by implementing a Neighborhood Clean-Up Initiative.

Dedicate additional resources toward city cleanliness.

Charge a fee for 100% of the costs for city-operated garbage collection, commercial apartment buildings.

BACKGROUND

The 2001 budget establishes a new enterprise fund for solid waste expenses. The entire Department of Public Works – Sanitation Division will be placed into this fund. This fund will recover approximately 25% of solid waste collection costs through a user fee rather than through the property tax. The remaining collection costs as well as the costs for snow and ice removal will be recovered through a city contribution paid through a new special purpose account, Solid Waste Fund – City Contribution. These remaining costs will continue to be subsidized through the property tax.

This financing strategy is similar to methods used by other communities, including some suburban neighbors. In August of 2000, the Budget Office surveyed 16 suburban communities to find out how these communities finance solid waste collection. Three suburbs impose a special charge for garbage collection. Greenfield currently charges \$125.18 for a single-family unit and \$110.23 per unit for multiple units. Hales Corners charges \$96.12 per year for garbage collection. Finally, Shorewood charges \$70 per year per home fee for garbage collection.

In addition, seven communities impose special charges for special pick-up services, and three impose a special charge for recycling expenses.

Wisconsin State Statutes, Section 66.0627, permits municipalities to implement a special charge for current services which may allocate all or part of the service costs onto the properties served. Establishment of the solid waste fee has three distinct purposes:

- To distribute solid waste costs according to usage;
- Require property tax exempt refuse users to pay their portion of the solid waste costs; and,
- Require residents to pay a fee for a portion of those service costs borne outside of snow and ice removal. Those snow and ice removal costs will continue to be recovered through the property tax.

Beginning in 2001, residents will pay for a portion of the costs of solid waste on their city service bill

(formerly titled water bill) in the same manner in which they pay for operation of the city's water sys-

tem, the city's sewer system, and Milwaukee Metropolitan Sewerage District fees.

SOLID WASTE FUND FEE METHODOLOGY

The solid waste fee allocates refuse collection costs based upon the number of residential units, which serves as a proxy for the amount of city sanitation services received.

In 2001, a total of \$7.95 million or approximately 25% of the city's solid waste costs will be recovered through the new solid waste fee. The rate necessary to support this cost totals \$11.00 per quarter per single-family residence. Each year, the required rate will be established through passage of a Common Council resolution.

NET IMPACT ON TAXPAYERS

Residential Properties: Since the residential classification is the sole beneficiary of the city's solid waste services, the classification as a whole will pay \$2.8 million more through the user fee. In the past these costs were subsidized through manufacturing and commercial properties. Using average garbage production for residential, single family, two family, three family, and four family units, estimated savings will accrue to properties with assessed values higher than the following "break-even points":

- Single Family \$109,695
- Two Family \$219,391
- Three Family \$329,086
- Four Family \$438,781

City Contribution: A special purpose account totaling \$27,085,837 will provide a tax levy subsidy to the new Solid Waste Fund. This subsidy will cover ap-

proximately 75% of the city's solid waste costs, which will not be recovered through the fee, as well as the city's cost for ice and snow operations.

Non-Residential Properties: Commercial and manufacturing properties will see approximately \$2.8 million in levy savings with this fee implementation. These savings mirror the net loss to residential properties of \$2.8 million.

Tax-Exempt Properties: There are currently 211 tax exempt properties that are users of city solid waste services from the city. It is expected that owners of these properties will pay roughly \$68,640 effectively eliminating the subsidy received by these organizations. Of the \$68,640, local governments will pay approximately \$10,384.

ADMINISTRATION

The Solid Waste Fee, will be billed and collected as part of the city's quarterly city services bill. The Water Works will incur one-time implementation costs of \$150,000 as well as ongoing administrative costs. Annual administrative costs of \$350,000 include costs such as recording the actual billing and collection information, revising the fee amounts as necessary, and providing customer service. An additional \$50,469 is included as a contingency to cover various unanticipated costs and unrecovered billings.

Two positions, a Business Operations Manager (\$53,491) and an Administrative Assistant I (\$27,588), have been added to monitor and administer the fund.

OPERATIONAL IMPACT

Although the new Solid Waste Fund will incorporate the Department of Public Works – Sanitation Division, there are no operational changes anticipated due to this change.

The Sanitation Division provides some of the city's most vital services to its residents. The primary responsibility of the Solid Waste Fund is to collect and

dispose of solid waste and to keep city streets safe for travel during severe winter weather, which has a significant impact on the overall operations of the city.

The Sanitation Division also plays a role in protecting the environmental health of the city. Sanitation efforts have reduced the need for landfills through both

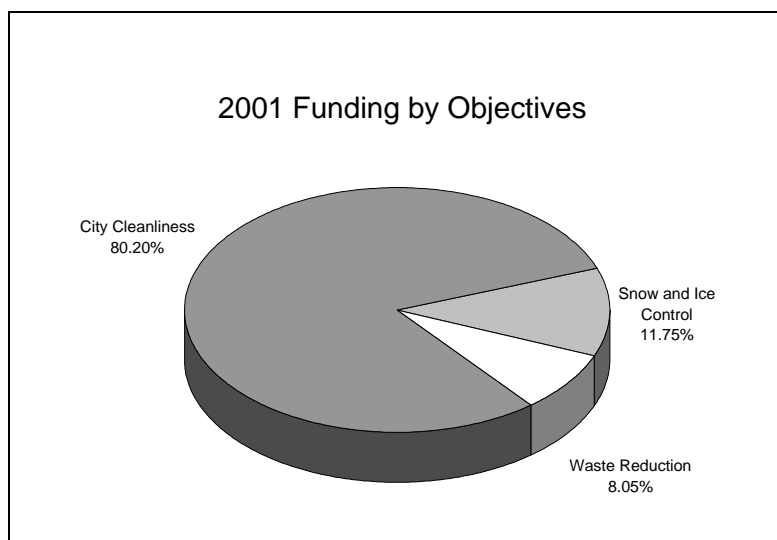
its solid waste reduction efforts and the city's recycling program. In addition, Sanitation activities protect city residents from infectious diseases and protect area lakes and rivers from harmful storm water run-off by collecting solid waste and sweeping city streets and alleys.

Approximately, \$35.5 million in operating funds are included in the 2001 budget for Solid Waste Fund activities. In addition to operating funds, the 2001 budget reflects capital funding of \$1,587,000, and grant funding of approximately \$2.8 million. Figure 1 depicts operating funding by objective.

Enhance the Cleanliness of the City: The City of Milwaukee has always been recognized for its impressive level of cleanliness, 2001 will continue this record. Despite a change in financing of garbage collection services, in 2001, the Sanitation Division will concentrate additional resources toward keeping Milwaukee clean. This includes the purchase of four new MadVacs, a piece of equipment

designed to pick-up litter in difficult to reach areas, and two new skid loaders. In addition, the division will work closely with the Department of Neighborhood Services to implement a Neighborhood Clean-Up Initiative (see page 144).

Figure 1



DPW OBJECTIVE 8

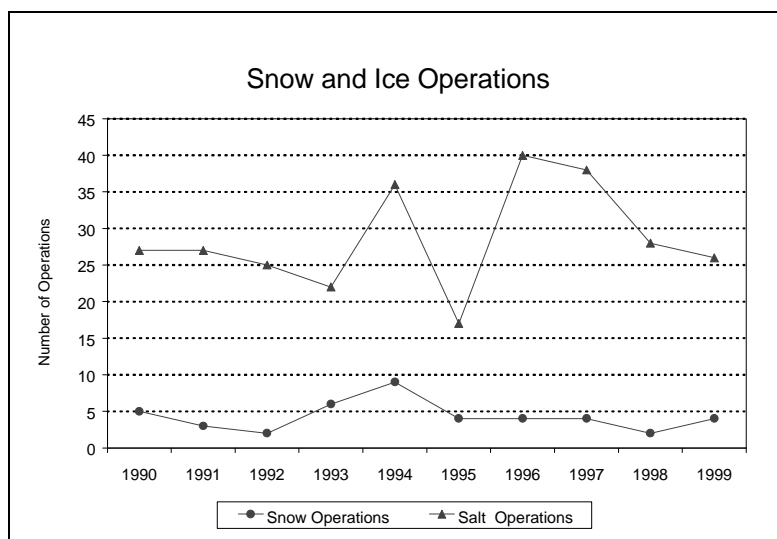
Maintain current levels of public safety during snow and ice emergencies while minimizing the amount of salt used per lane mile to 250 pounds depending on the snowfall.

OUTCOME HISTORY (see page 170)

The Department of Public Works' (DPW) 2001 budget includes approximately \$7.5 million in total funds for snow and ice control. Of this amount, approximately \$4.2 million is budgeted in the Solid Waste Fund. An additional \$3.1 million is reflected in the Buildings and Fleet Division, and approximately \$159,000 in the Administrative Services Division.

Conducting snow plowing and ice control (salting) operations is a reactive service, dictated by random, varying weather conditions. Figure 2 shows the number of operations the Sanitation Division has conducted each year since 1990 in order to maintain efficient movement of people and goods, and to ensure public safety during snow and ice emergencies. As indicated in the figure, the number

Figure 2



of snow plowing and ice control operations has fluctuated tremendously over the past several years.

Budgeting for snow and ice operations in a given year proves very difficult due to the uncertainty surrounding the number of operations. In addition, the

actual cost of a plowing or salting operation varies greatly depending on the amount of snow, temperature, rate of snowfall, time of day, and the overall severity of the weather. As a result, the Sanitation Division budgets for snow and ice operations based on an “average” winter. In 1999, there were 4 snow plowings and a total of 26 salting operations. The number of operations used for 2001 budgetary purposes is 4 snow plowings and 26 ice control operations.

Program Result Measures: In 2000, the Sanitation Division began to measure the effectiveness of its

snow operations by gauging the amount of time it takes to plow the city streets after the first snowfall ceases. In 2000, the Sanitation Division found that city streets were plowed within 12.32 hours, depending on the severity of the weather, and the amount of snow.

PROGRAMS AND ACTIVITIES

- Snow plowing operations
- Salting operations

DPW OBJECTIVE 12

Reduce the amount of residential solid waste landfilled per capita from 728 pounds to 700 pounds.

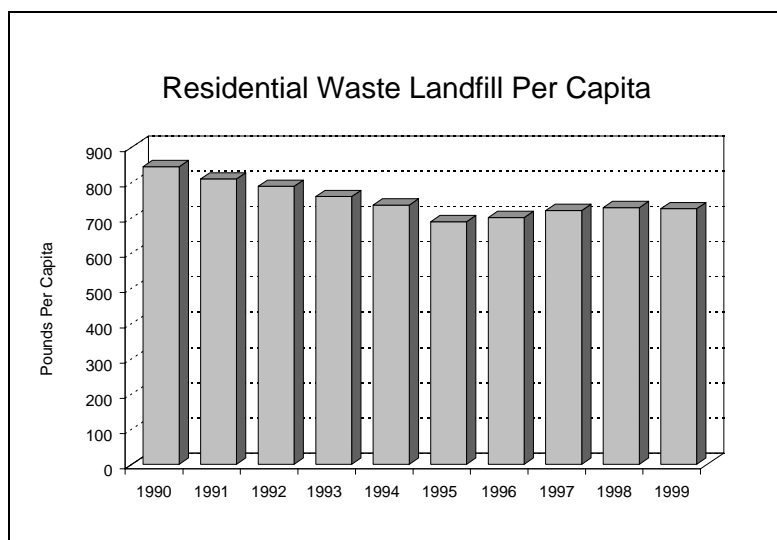
OUTCOME HISTORY (see page 170)

The Department of Public Works' 2001 budget includes approximately \$7.4 million in operating and grant funds for residential solid waste reduction. The Solid Waste Fund's 2001 budget includes \$2.9 million in funding for recycling and resource recovery activities. The 2001 budget also includes approximately \$2.8 million in state grant funds for the city's recycling program. An additional \$1,596,304 is provided in the Buildings and Fleet Division's 2001 budget and \$97,365 is reflected in the Administrative Services Division's 2001 budget.

The Department of Public Works is committed to improving environmental quality through waste reduction efforts. As indicated in Figure 3, the Solid Waste Fund, as the Sanitation Division, has made significant progress toward achieving the objective of reducing the amount of residential solid waste landfilled. The amount of residential waste disposed in landfills per capita has decreased approximately 14%, from 844 pounds in 1990 to 728 pounds in 1999.

The Sanitation Division also emphasizes waste reduction in all aspects of educational outreach. The importance of “reduction” before “recycling” is stressed through citywide mailings, classroom presentations at city schools, Recycling Education Center Programs, and direct constituent contact. The division is also actively involved in the Southeast Wis-

Figure 3



consin Waste Reduction Coalition whose mission is “to reduce the amount of waste generated by residents and businesses throughout southeast Wisconsin through a regionally coordinated waste reduction campaign”. Activities of the coalition include radio and television public service announcements, displays at civic events, and a scholarship competition for high school students.

ACTIVITIES

- Curbside recycling collection
- Fall leaf, brush, and yard waste collection and composting
- Recycling and waste reduction education
- White goods and tire collection
- Self-help center recycling programs

Program Result Measures: The Solid Waste Fund has developed two program measures to evaluate the effectiveness of its solid waste program. In 1999, a total of 372,024 city residents were serviced at the Self-Help Stations. Of these residents 171,954 were serviced at the Industrial Road Self-Help Station and

200,040 residents were serviced at the Lincoln Avenue Transfer Station. The Solid Waste Fund also tracks the amount of materials diverted from landfills. In 1999, 59,150 tons of material were diverted from landfills.

DPW OBJECTIVE 14

Maintain the overall cleanliness of the city as measured by the Photometric Index projection of six.

OUTCOME HISTORY (see page 171)

The Department of Public Works' 2001 budget includes approximately \$39.1 million in total funding for city cleanliness. Of this amount, approximately \$28.5 million is budgeted in the Solid Waste Fund, with the remainder reflected in the Buildings and Fleet Division (\$8.9 million), Administrative Services Division (\$803,616), and Capital Funding of \$1.7 million.

Clean streets and alleys are critical to the quality of city neighborhoods and directly impact the city's ability to retain middle income households. The Solid Waste Fund dedicates the majority of its operating budget (80.1%) to keeping the city clean.

In 2000, Sanitation developed a formal outcome measure to gauge the cleanliness of city streets. The outcome measure used is the Photometric Index, a procedure for measuring changes in accumulations of loose trash in cities certified by Keep America Beautiful, Inc. (KAB) to participate in the Clean Community System – the behaviorally based program to reduce litter by changing attitudes and practices relating to the handling of waste. This measurement technique was developed in 1974 by the Research Foundation – American Public Works Association, under contract to KAB. The process involves the use of 120 photographic slides taken at random in various locations throughout the city. Pictures are taken of streets, public right-of-ways, vacant lots, parking lots, loading docks, and commercial refuse storage areas. These slides are then analyzed and measured against a baseline year for comparative cleanliness. The Photometric Index is recorded as a number between zero and 96 that reflects the relative amount of litter detected when randomly generated pictures are analyzed. Over 500 cities, including Houston, Indianapolis and Chicago, make use of a Photometric

Index to quantify city cleanliness. The Sanitation Division has found that Milwaukee exceeded its goal of 6.0 and has a Photometric Index of 5.67.

PROGRAMS AND ACTIVITIES

- Weekly residential garbage collection
- Operation of two self-help centers
- Clean-up box program (each weekend from April through October)
- Systematic neighborhood clean-ups
- Street and alley sweeping
- Weed cutting (in compliance with city ordinances) costs recovered from property owners
- Clean-up and support for civic and special events ranging from the Great Circus Parade to neighborhood block parties
- Special collection services to residential property owners

PROGRAM CHANGES

Apartment Garbage Collection: The 1998 budget implemented a fee for garbage collection to apartment complexes with five or more units. This fee recovered two-thirds of the costs of collection to apartment complexes. In the 2001 budget, the apartment garbage collection fee has been modified. As a result 100% of the costs of collection to apartment complexes (approximately \$814,224) will now be offset by revenue.

Neighborhood Clean-Up Initiative: The 2001 budget reflects the implementation of a new neighborhood clean-up initiative between the Sanitation Division and the Department of Neighborhood Services. This initiative formally adopts the Neighborhood Clean-Up Pilot Program that began in 1999 under the direction of the Sanitation Division and the Department of Neighborhood Services. This initiative will be funded through a special purpose account named the Neighborhood Clean-Up Initiative totaling \$70,000.

In its first year, the new initiative will work to provide one targeted clean-up per aldermanic district. The Department of Neighborhood Services and the Solid Waste Fund will work with the aldermen and community groups to assure the successful implementation of this initiative. As a part of this initiative, Solid Waste Fund employees will collect all refuse that is left out on the curbs. After the clean-up

has taken place, the Department of Neighborhood Services will survey the area and issue abatement orders for any remaining litter and nuisance vehicles. The Solid Waste Fund, as a part of its creation, includes funding for two new skid loaders and four new MadVacs. These new pieces of equipment will be used to support this new initiative.

CAPITAL IMPROVEMENTS

The 2001 capital improvements budget includes \$1,587,000 for renovation of the joint Forestry/Sanitation Headquarters at Industrial Road.

Funding provided in 2001 will allow the division to proceed with the third phase of the project, which is

the expansion and renovation of the headquarters building. The fourth and final phase of the project, scheduled for 2002, is the reconstruction of vehicle garages at the site.

BUDGET SUMMARY

	1999*	2000*	2001	CHANGE
	ACTUAL	ADOPTED	ADOPTED	2001 ADOPTED
	EXPENDITURES	BUDGET	BUDGET	VERSUS
				2000 ADOPTED
PERSONNEL				
FTEs - Operations and Maintenance	0.00	0.00	387.71	387.71
FTEs - Other	0.00	0.00	34.00	34.00
Total Positions Authorized	0	0	1,096	1,096
DLH - Operations and Maintenance	0	0	697,878	697,878
DLH - Other Funds	0	0	61,200	61,200
EXPENDITURES				
Salaries and Wages	\$0	\$0	\$15,480,237	\$15,480,237
Fringe Benefits	0	0	5,108,478	5,108,478
Operating Expenditures	0	0	13,284,903	13,284,903
Equipment	0	0	1,617,450	1,617,450
Special Funds	0	0	50,469	50,469
TOTAL	\$0	\$0	\$35,541,537	\$35,541,537
REVENUES				
City Contribution	\$0	\$0	\$27,085,837	\$27,085,837
Solid Waste Fee	0	0	7,951,900	7,951,900
Other Miscellaneous Revenue	0	0	503,800	503,800
TOTAL	\$0	\$0	\$35,541,537	\$35,541,537

CAPITAL PROJECTS - Includes \$1,587,000 to complete Phase 3 of the Industrial Road Forestry/Sanitation Headquarters Renovation.

* The 1999 Experience, 2000 Adopted Budget for the Department of Public Works-Sanitation Division are included with the Department of Public Works Summary information.

DETAILED LISTING OF POSITION AND FULL-TIME EQUIVALENTS' CHANGES

Specific ADDITIONAL positions (or eliminations) and associated full-time equivalents (FTEs) as follows:

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
Administration			
1	1.00	Sanitation Services Superintendent (Operating Funding \$108,836)	Positions transferred from DPW-Sanitation.
1	1.00	Operations Manager (Operating Funding \$87,395)	
1	1.00	Administration and Projects Manager (Operating Funding \$95,804)	
1	1.00	Resource Recovery Manager (Operating Funding \$79,120)	
1	1.00	Program Assistant II (Operating Funding \$32,741)	
2	2.00	Communications Assistant IV (Operating Funding \$67,932)	
1	1.00	Administrative Assistant I (Operating Funding \$32,035)	
1	1.00	Office Assistant II (Operating Funding \$23,697)	
1	0.50	Graduate Intern (Operating Funding \$11,482)	
1	1.00	Business Operations Manager (Operating Funding \$53,491)	Positions created to staff Solid Waste Fund.
1	1.00	Administrative Assistant I (Operating Funding \$27,588)	
Field Operations			
3	3.00	Sanitation Area Manager (Operating Funding \$208,342)	Positions transferred from DPW-Sanitation.
6	6.00	Sanitation District Manager (Operating Funding \$365,876)	

POSITIONS	FULL-TIME EQUIV.	POSITION TITLE	REASON
1	1.00	Sanitation Shop Supervisor (Operating Funding \$54,081)	Positions transferred from DPW-Sanitation.
30	30.00	Sanitation Supervisor (Operating Funding \$1,500,888)	
6	6.00	Field Headquarters Coordinator (Operating Funding \$197,487)	
110	110.89	Sanitation Worker (Operating Funding \$3,527,524)	
5	5.00	Utility Crew Worker (Operating Funding \$157,689)	
4	4.00	Cart Maintenance Technician (Operating Funding \$128,273)	
1	1.00	Sanitation Survey Coordinator (Operating Funding \$57,503)	
131		Driver Loader	
	97.00	(Operating Funding \$3,691,350)	
	34.00	(Non-Operating Funding \$1,293,875)	
		Auxiliary Positions	
5		Sanitation Supervisor	
48		Sanitation Worker	
500		Emergency City Laborer	
1		Sanitation District Manager	
36		Sanitation Crew Leader (Snow)	
148		Driver/Loader - Relief	
19		Sanitation Worker - Relief	
1		Field Headquarters Coordinator	
28		Sanitation Supervisor (Winter Relief)	
1		Sanitation Area Manager	
	112.32	Auxiliary Positions (Operating Funding \$2,731,453)	
1096	421.71	TOTAL	

M. COUNTY DELINQUENT TAX FUND

EXECUTIVE SUMMARY

PURPOSE:	To provide appropriation authority to purchase Milwaukee County delinquent taxes.
STRATEGIC ISSUES:	Provide a funding mechanism to purchase delinquent county taxes without affecting the city's tax levy.
INITIATIVES FOR 2001:	Continue efforts to return tax delinquent properties to the tax rolls and increase future city revenue.

In accordance with State Statue 74.83, the City of Milwaukee is authorized to enter into an agreement with Milwaukee County to purchase county delinquent personal property taxes and real estate tax certificates. The initial agreement was executed on December 18, 1987.

The authority to collect county delinquent taxes enables the City Treasurer to consolidate the collection of delinquent taxes. Consolidation of the delinquent taxes is more efficient and effective tax collection administration by eliminating the burden of duplicate collections by the city and county.

Upon collection of property taxes, the county receives their entire levied taxes, including interest and penalties. The city designates any delinquent county taxes as an account receivable. County delinquent taxes collected by the Treasurer are received along with any additional penalties or interest and are then paid to the county. These payments initially become city cash and the account receivable is reduced accordingly.

This account acts as a mechanism for the city to receive the county delinquent taxes. It is related to the other city delinquent tax efforts in the city debt budget and delinquent tax fund.

SUMMARY OF EXPENDITURES

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Delinquent County Taxes	\$0	\$0	\$5,650,000	\$5,650,000
TOTAL	\$0	\$0	\$5,650,000	\$5,650,000

SOURCE OF FUNDS

	1999 ACTUAL EXPENDITURES	2000 ADOPTED BUDGET	2001 ADOPTED BUDGET	CHANGE 2001 ADOPTED VERSUS 2000 ADOPTED
Purchase of County Delinquent Taxes	\$0	\$0	\$5,650,000	\$5,650,000
TOTAL	\$0	\$0	\$5,650,000	\$5,650,000

II. BORROWING AUTHORIZATIONS

GENERAL OBLIGATION BONDS OR SHORT-TERM NOTES

PURPOSE	Reauthorization of 2000 Authority (1)(2)	New 2001 Authority	Total
A. GRANT AND AID PROJECTS - Specific Purposes Not Contemplated at the Time the Budget was Adopted.			
1. For Public Improvements authorized under Section 62.11(5) for any of the purposes enumerated in Section 67.05(5)(b).			
2. For Harbor Improvements authorized under Section 30.30.			
3. For Library Improvements authorized under Section 229.11 and 229.17.			
4. For Convention Complex and Exposition Center improvements authorized under Section 229.26.			
5. For blight elimination, slum clearance, redevelopment, community development, and urban renewal projects under Section 66.405 to 66.425, 66.43, 66.431, 66.4325, 66.435, and 66.46.			
6. For developing sites for industry and commerce to expand the tax base as authorized under Section 66.52 and 66.521.			
Grant and Aid Projects (3)	\$6,045,000	\$1,600,000	\$7,645,000
B. RENEWAL AND DEVELOPMENT PROJECTS			
1. For providing financial assistance to blight elimination, slum clearance, redevelopment, and urban renewal projects under Section 66.405 to 66.425, 66.43, 66.431, 66.4325, 66.435, and 66.46.			
Renewal and Development Projects	\$13,410,550	\$3,050,000	\$16,460,550
MEDC Loan Program	500,000	0	500,000
C. PUBLIC IMPROVEMENTS			
1. Public Buildings for Housing Machinery and Equipment	\$18,499,536	\$12,115,799	\$30,615,335
2. Harbor Improvements	3,973,000	600,000	4,573,000
3. Parking Facility Improvement	7,912,160	1,750,000	9,662,160
4. Purchase of Sites for and Construction of Engine Houses, Fire Station Reconstruction, Remodeling, Planning, Design and Site Acquisition.	1,611,000	3,589,900	5,200,900
5. Police Department Facility Construction	37,307,490	9,660,000	46,967,490
6. Bridge and Viaduct	9,788,000	2,415,000	12,203,000
7. Sewage Disposal - Sewer Improvement and Construction	13,292,000	5,459,000	18,751,000

II. BORROWING AUTHORIZATIONS

PURPOSE		Reauthorization of 2000 Authority (1)(2)	New 2001 Authority	Total
8.	Street Improvements - Street Improvement and Construction	\$31,748,827	\$19,078,623	\$50,827,450
9.	Parks and Public Grounds	2,627,000	653,320	3,280,320
10.	Library Improvements authorized under Section 229.11 and 229.17	<u>2,630,000</u>	<u>2,960,000</u>	<u>5,590,000</u>
	Subtotal - General Obligation Bonds or Short-Term Notes (Sections A through C)	\$149,344,563	\$62,931,642	\$212,276,205
D. CONTINGENT BORROWING				
Borrowing for a public purpose not contemplated at the time the budget was adopted.				
	Contingent Borrowing	<u>\$0</u>	<u>\$75,000,000</u>	<u>\$75,000,000</u>
	Subtotal - General Obligation Bonds or Short-Term Notes	\$0	\$75,000,000	\$75,000,000
E. SCHOOL BOARD BORROWING				
	School Purposes (A) (B) (C) (D)	<u>\$45,045,000</u>	<u>\$17,000,000</u>	<u>\$62,045,000</u>
	Subtotal - General Obligation Bonds or Short-Term Notes	\$45,045,000	\$17,000,000	\$62,045,000
F. BORROWING FOR SPECIAL ASSESSMENTS				
To finance public improvements in anticipation of special assessments levied against property.				
	General City	<u>\$12,165,654</u>	<u>\$8,556,910</u>	<u>\$20,722,564</u>
	Subtotal - General Obligation Bonds or Local Improvements Bonds	\$12,165,654	\$8,556,910	\$20,722,564
G. TAX INCREMENTAL DISTRICTS				
1.	For paying project costs in accordance with project plans for Tax Incremental Districts.			
2.	For providing financial assistance to urban renewal projects authorized under Section 66.405.	<u>\$28,234,180</u>	<u>\$19,500,000</u>	<u>\$47,734,180</u>
	Subtotal - General Obligation Bonds, Short-Term Notes, or Revenue Bonds	\$28,234,180	\$19,500,000	\$47,734,180
H. BORROWING FOR DELINQUENT TAXES				
To finance General City Purposes for anticipated delinquent taxes				
		<u>\$0</u>	<u>\$15,000,000</u>	<u>\$15,000,000</u>
	Subtotal - General Obligation Bonds or Short-Term Notes	\$0	\$15,000,000	\$15,000,000
I. REVENUE ANTICIPATION BORROWING				
To borrow in anticipation of revenue in accordance with Section 67.12 (1a) of the Wisconsin State Statutes.				
		<u>\$0</u>	<u>\$250,000,000</u>	<u>\$250,000,000</u>
	Subtotal - General Obligation Bonds or Short-Term Notes	\$0	\$250,000,000	\$250,000,000

II. BORROWING AUTHORIZATIONS

PURPOSE	Reauthorization of 2000 Authority (1)(2)	New 2001 Authority	Total
J. WATER WORKS BORROWING			
Water Works Mortgage Revenue Bonds or General Obligation Bonds	<u>\$14,300,000</u>	<u>\$0</u>	<u>\$14,300,000</u>
	\$14,300,000	\$0	\$14,300,000
K. SEWER MAINTENANCE FUND BORROWING			
Sewer Maintenance Fund Revenue Bonds or General Obligation Bonds	<u>\$24,123,752</u>	<u>\$14,535,000</u>	<u>\$38,658,752</u>
TOTAL BORROWING AUTHORIZATION (Sections A through K)	\$273,213,149	\$462,523,552	\$735,736,701

- (A) Design plans for any alteration to building exteriors and interiors shall be reviewed and approved by the city.
- (B) 1999 borrowing authority includes \$15 million associated with an Intergovernmental Agreement between the city and MPS.
- (C) 1999 borrowing authority includes \$2 million associated with an energy retrofit project for which MPS will reimburse the city for all debt service costs associated with the borrowing.
- (D) It is the intent of the Common Council that no less than \$15 million in borrowing authority be allocated to the Milwaukee Tech project over the budget years 1999, 2000, and 2001.
- (1) Reauthorization of prior unused borrowing authority:
- It is the intent of such reauthorization to expressly authorize the issuance and sale of such obligations (either bonds or notes) as set forth in this borrowing section of the budget, for the purposes and amounts enumerated herein. Such carryover borrowing (reauthorization of prior unused borrowing authority) is also reflected in the capital budget for informational purposes, but such amounts are excluded from the capital budget totals to avoid duplication.
- (2) Bond authorizations included and approved by the Common Council in the preceding municipal budget and further approved by the adoption of a resolution of intent are herein continued and are deemed to be with the same force and effect as though they had been specifically enumerated, both as to purpose and amount in this municipal budget.
- (3) The purpose of this borrowing is to provide funds in connection with projects undertaken by the city with federal or other financial assistance. Expenditures shall be made only after adoption of a Common Council resolution adopted in accordance with Common Council resolution file 66-1893, as amended.

III. CLARIFICATION OF INTENT

Employee Fringe Benefits

Employee fringe benefit costs are allocated to operating and capital budgets on an estimated basis for informational purposes only. Such estimated expenditures are 100% appropriation offset for operating budgets and 100% revenue offset for the capital budget to avoid any impact on the city's tax levy. Actual fringe benefit costs, such as health care benefits, life insurance, and pensions, are budgeted separately in non-departmental accounts, which are funded from the property tax levy.

The amount included in each departmental (or budgetary control unit) operating budget on the line entitled "Estimated Employee Fringe Benefits" is subject to adjustment by unilateral action of the City Comptroller, during the budget year, if the actual rate charged against salaries paid is at variance with the estimated rate used in calculating the budgeted amount.

Changes to Performance Measures to Correct Possible Errors or Omissions

The Budget and Management Director is authorized to make or approve changes in performance measures including additions, deletions, and modifications during the budget year.

The City Comptroller shall reflect such performance measure changes that are approved by the Budget and Management Director in the establishment of the necessary accounts for reporting purposes.

Departmental Salary Appropriations

Department net salary and wage appropriations reflect current wage rates and expenditures are limited to these amounts. Funding of future salary increases from the Wages Supplement Fund will be restricted to wage settlements only. These transfers must be pre-approved by the Budget and Management Director.

Footnotes

Section 18-07-12 of the Milwaukee City Charter states that the adoption of the budget shall be the authority for the expenditure by a department for the purposes therein provided and of the amounts assigned to the department thereby and no further action by the Common Council shall be necessary to authorize any department to make such expenditures. The City Attorney has advised that footnotes contained in the line item budget are informational only and not controlling over expenditures.

POSITIONS ORDINANCE AND
SALARY ORDINANCE

The Positions Ordinance and the Salary Ordinance for the city may be obtained from the City Clerk's Office upon request. They therefore have not been included in this publication.

**AGENCIES AND FUNDS -
BUDGETS NOT UNDER THE CONTROL OF THE COMMON COUNCIL**

Pabst Theater..... 313

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PABST THEATER

BACKGROUND

The Pabst Theater, built in 1895, is a rare example of Victorian Baroque architecture. After over 100 years of operation, this city-owned historic building continues to operate as a community theater, advancing performing arts and enhancing the quality of cultural life in the City of Milwaukee. In 1999, 189 events were held at the theater with 119,480 people attending, an increase of 14.3% over 1998.

Most events at the Pabst Theater are produced by groups who rent the theater for performance space. When demand is low, the Pabst Theater intermittently presents its own shows. In 1999, the Pabst Theater presented 13 of its own shows, sponsoring events as diverse as the Capitol Steps, Keyboard Conversations, and the Trinity Irish Dance Company. The structure, maintenance, and operations of the Pabst Theater are governed by the eleven-member Pabst Theater Board.

ACTIVITIES

Consolidation Efforts: In 1996, the Milwaukee County Commission for the 21st Century proposed consolidating the Pabst Theater with the Marcus Performing Arts Center in order to provide for better coordination and administrative efficiency. A 1998 county study of the War Memorial also recommended that the county continue to pursue this as an option. The feasibility of consolidating these facilities is currently being explored. In May 2000, a new State Statute was enacted that will allow the city to transfer the Pabst Theatre to another entity.

Pabst Theater Board Fund: The 2001 Pabst Theater operating budget totals \$646,900 and supports 13 positions. This is a decrease of \$1,400 from the 2000 budget.

The Pabst Theater anticipates \$496,900 in revenues from rental of the theater, fees, and other income. This is a decrease of \$1,400 from 2000 revenue estimates.

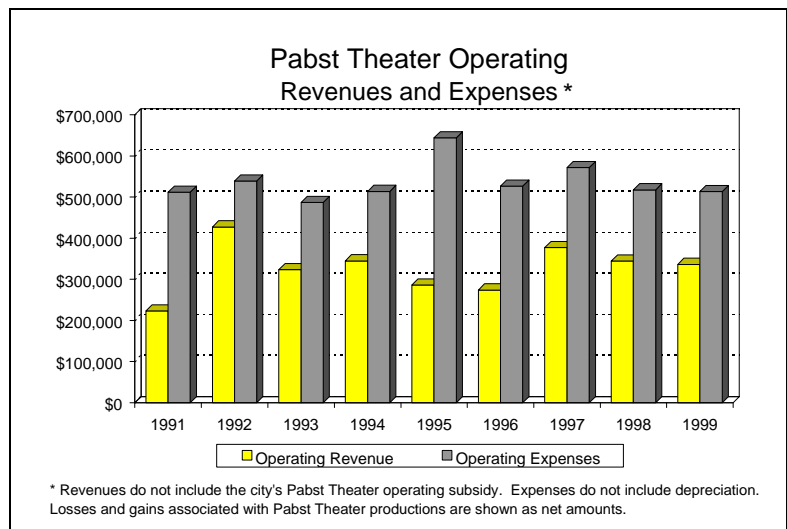
The City of Milwaukee supports community arts organizations by providing an annual operating contribution to the Pabst Theater. Figure 1 shows that 1999 operating revenues and expenses were relatively unchanged from 1998. The 2001 budget includes \$150,000 in the Pabst Theater Board Fund special purpose account.

Pabst Theater Rent Fund: Another way Milwaukee supports the enhancement of cultural life in the city is through a rent subsidy for local arts groups who cannot afford to rent the Pabst Theater. In 2001, \$10,000 is provided in the Pabst Theater Rent Fund.

CAPITAL IMPROVEMENT PROJECTS

The city also improves and maintains the historic Pabst Theater structure. The 2001 capital budget provides \$1.5 million in borrowing authority to fund various infrastructure projects. The Pabst Theater Capital Campaign Committee is also undertaking a major fundraising effort to renovate the gallery, add elevators and to extend the lobby. Total project cost is estimated at \$9.3 million, with \$6 million in private contributions and \$3.3 million in city funding. Approximately \$7.2 million has been received to date. Work is currently underway and is expected to be completed in 2001.

Figure 1



TAX LEVY TO RATE CONVERSION TABLE

Assessed Value Used in Conversion Calculation:

\$17,213,036,647

<u>Tax Rate Per \$1,000 of Assessed Valuation</u>	<u>Levy Change</u>	<u>Levy Change</u>	<u>Tax Rate Per \$1,000 of Assessed Valuation</u>
\$0.01	\$172,130	\$5,000	\$0.00
\$0.05	\$860,652	\$10,000	\$0.00
\$0.10	\$1,721,304	\$50,000	\$0.00
\$0.25	\$4,303,259	\$100,000	\$0.01
\$0.50	\$8,606,518	\$500,000	\$0.03
\$1.00	\$17,213,037	\$1,000,000	\$0.06

Formula for deriving tax rate per \$1,000 of assessed value from known assessed value and levy:

$$\text{TAX RATE} = \frac{\text{TAX LEVY}}{\text{ASSESSED VALUE}/1,000}$$

Formula for deriving levy from known rate and assessed value:

$$\text{TAX LEVY} = \text{TAX RATE} \times (\text{ASSESSED VALUE} / 1,000)$$

Formula for deriving assessed value from known rate and levy:

$$\text{ASSESSED VALUE} = (\text{TAX LEVY} / \text{TAX RATE}) \times 1,000$$

NOTE: Results are approximate due to rounding.

BASIS OF BUDGETING

The city's budgetary policies generally conform to Generally Accepted Accounting Principles (GAAP) applicable to governmental units. The city's Governmental Funds (general, special revenue, debt service, capital projects) use the modified accrual basis. Under the modified accrual basis, revenues are recorded when both available and measurable. Certain fines and forfeitures, however, are recorded when received as they are not subject to accrual. Expenditures are recognized when the related liability is incurred. The accrual basis of accounting is used

for the city's proprietary funds (enterprise and internal service agencies). The city prepares financial statements annually in conformity with GAAP for governmental entities which are audited by an independent certified public accounting firm. The city's Comprehensive Annual Financial Report (CAFR) is generally available about four months after December 31. The city's most recent CAFR for the fiscal year ended December 31, 1999, was audited by the accounting firm KPMG Peat Marwick LLP and is available for review.

UNRESERVED FUND BALANCE

The city utilizes two separate reserve funds. One reserve fund, the Tax Stabilization Fund (TSF) is associated with the general fund balance. The other reserve, Public Debt Amortization Fund (PDAF) is related to the debt service fund. Each reserve fund was created via state statute and city ordinance and each is restricted in the manner in which funds are used. Table 1 shows the level of unreserved fund balances in each of the funds. There are additional funds in the city fund balance; however, these funds are reserved for other uses.

As Table 1 indicates, \$5.8 million less of reserves will be used in 2001 versus 2000. This reduction reflects lower levels of 1999 regeneration into the city's reserve funds. Over the next three years, the city will work to increase the TSF to a minimum of \$25 million. In part, this will be possible due to an anticipated payment of approximately \$5 million for 2000 employee retirement administrative expenses and global pension settlement administrative costs.

Table 1

Unreserved Fund Balance			
(In Thousands)			
TSF Unreserved Balance		PDAF Unsegregated Balance	
1998 Year End Balance	\$26,424	1998 Year End Balance	\$52,666
2000 Budget Withdraw	<u>11,250</u>	2000 Utilization	<u>11,000</u>
Subtotal	\$15,174	Subtotal	\$41,666
1999 Regeneration	<u>\$4,263</u>	1999 Earnings	<u>\$3,388</u>
Available for 2001 Purposes	\$19,437	Available for 2001 Purposes	\$45,054
2001 Withdraw	\$5,500	2001 Utilization	\$11,000
Remaining Balance Prior to 2000 Regeneration	\$13,937	Remaining Balance Prior to 2000 Earnings	\$34,054
Est. 2000 Regeneration	\$6,500	Est. 2000 Earnings	\$6,855
Est. Available for 2002	\$20,437	Est. Available for 2002	\$40,909
Total Unreserved TSF and Unsegregated PDAF Balance for 2001 Purposes		\$64,491	
Total Unreserved TSF and Unsegregated PDAF Balance Used in 2001		\$16,500	
Total Unreserved TSF and Unsegregated PDAF Balance Used in 2000		\$22,250	
Change in Reserves Used in 2001 Compared to 2000		\$-5,750	
Est. Total Unreserved TSF and Unsegregated PDAF Balance for 2002 Purposes		\$61,346	

Glossary of Budget Items and Terms

Activity: A specific action or program component intended to support the achievement of a department or city objective.

Allocation Account: An informal disbursement of an appropriation account to the decision units of a budgetary control unit. Allocation accounts follow the object account structure of appropriation accounts, but are not formal disbursement of resources.

Amendment: The vehicle through which the budget proposed by the Mayor is altered by the Common Council.

Appropriation (or control) Account: An appropriation account is a classification of city expenditure for which formal disbursement is authorized (appropriated) through the budget process. Expenditures within appropriation accounts cannot exceed authorized levels. Mid-year appropriation adjustments can occur through fund transfers authorized by either the Budget Office or the Finance and Personnel Committee or through supplemental appropriation from the Common Council Contingent Fund.

Assessed Value: An estimate of market worth set upon real estate or personal property by the City Assessor and the State Department of Revenue as a basis for levying taxes.

Budget Allocation: The amount of resources available for appropriation to a department based upon estimates of city obligations and revenues. Each year, the Mayor identifies specific budget allocations for each operating department. Departments are asked to formulate their budget requests based upon the Mayor's recommended level of funding.

Budgetary Control Unit (BCU): A major organizational unit of the city for which a series of appropriations are made. For example, an operating department is typically one BCU.

Capital Improvement Fund: The city's Capital Improvement Fund accounts for financial resources segregated for the acquisition, construction, and major repair and maintenance of the city's capital facilities (infrastructure and major assets).

Contingent Fund: The Contingent Fund accounts for resources segregated to pay for unexpected emergencies, and other purposes, that may arise during the year for which no or insufficient provision (appropriation) has been made elsewhere in the city's budget.

Debt Service Fund: The Debt Service Fund accounts for resources segregated to pay for principal and interest on obligations resulting from the issuance of bonds. The city typically issues general obligation bonds for the purpose of financing the cost of capital improvement projects.

Decision Unit (DU): A sub-unit of a budgetary control unit around which budgetary decisions are based. For example, the Health Department as one BCU has three decision units: Administration, Public Health Services, and the Laboratory.

Delinquent Tax Fund: The Delinquent Tax Fund was established as a reserve against uncollected delinquent property taxes.

Department Mission: A brief statement explaining generally the purpose and goal of the department in relation to the overall mission of the city.

Direct Labor Hours: Time spent by an employee at work excluding vacation, sick leave and other time paid but not worked.

Expenditure: The term designating the cost of goods delivered or services rendered whether paid or unpaid.

F.I.R.E.: A classification for reporting purposes encompassing the financial, insurance, and real estate sectors.

Fringe Benefit: Aid or payment provided to employees in addition to salary or wages. For City of Milwaukee purposes this includes pensions, health insurance, group life insurance, social security payments, and workers' compensation.

Full-Time Equivalent (FTE): A unit for measuring staffing levels, equal to one position working 40-hours per week for an entire year, less paid time not worked. The city uses 1,800 direct labor hours as the standard for one FTE.

Fund: An independent self-balancing fiscal entity with assets, liabilities, reserves, a residual balance or equity, and revenues and expenditures for undertaking activities.

General City Purposes Fund: The city's main operating and maintenance fund that is used to pay the city's basic services such as public health, safety, public works, and general administrative services.

Gross City Product (GCP): The value of final goods and services produced in the economy in a given time period (quarter or year), at the city level.

Gross Domestic Product(GDP): The value of final goods and services produced in the economy in a given time period (quarter or year). GDP is the basic measure of economic activity.

Information Account: An information account is a subdivision of the appropriation or major object account. Expenditures in an information account may exceed the amount allocated to the account as long as the sum of all information accounts does not exceed the aggregate amount of the appropriation account.

Internal Management Indicators (previously called Performance Measures): Identified program inputs and outputs that are tracked to help measure performance efficiency and workload.

Internal Service Agencies: Governmental organizations, departments, or divisions that, in competition with other vendors, provide services to other units within the government for fees that cover cost of operations.

Objective: Specific and measurable statement of expected results or impacts related to the overall department mission.

Organization Chart: The formal departmental reporting structure including information on personnel resource allocation and funding.

Outcome Indicator: A measurement of the specific results of a program or group of programs. An outcome indicator should provide a quantifiable measure of the city's success at meeting objectives and suggest which activities are working best.

Program: A set of resources and activities designed to achieve one or more common goals.

Public Debt Amortization Fund (PDAF): One of the city's major reserve funds used to prepay a portion of the principal and interest on city debt due the following year. This fund may also be used to purchase city debt and subsequently invest or cancel such debt.

Revenue: The resources received by city government used to offset the cost of providing services.

Solid Waste Fund: The Solid Waste Fund was established to more appropriately charge for solid waste pick-up by eliminating the subsidy for commercial and manufacturing properties.

Special Purpose Account: Accounts established in the budget for appropriations, which are not included in departmental budgets. Special purpose accounts may include one-time appropriations and/or programs that involve numerous departments.

Special Revenue Funds: These funds account for revenues (other than the property tax) received that are designated for specific projects or purposes. Special revenue funds include the Water Works Fund, Parking Fund, Internal Service Agency Fund, Grant and Aid Fund, and the Sewer Maintenance Fund.

Strategic Issue Summary: Brief description of environmental factors affecting the city's future.

Strategy: A set of policies and actions designed to, in conjunction with other complementary strategies, assure that an organization achieves its mission.

Supplemented Funds: Funds financed primarily through property taxes, revenues, and withdrawals from reserves.

Tax Incremental District (TID): Special redevelopment districts allowed under state law. Tax increment financing is a mechanism for financing the cost of redevelopment and development using property tax revenue produced by growth in private investment within the project area.

Tax Levy: The amount of funding to be raised by general property taxes.

Tax Rate: The amount of tax charged for each \$1,000 of assessed valuation.

Tax Stabilization Fund: A reserve fund used to accumulate unexpended appropriations and revenue surpluses. Expenditures from this fund can only be used to offset the property tax levy.

T.C.P.U.: An economic indicator of activity on the transportation, communications, and public utilities sectors.